



ifpi
representing the
recording industry
worldwide

GLOBAL MUSIC REPORT

2022

6699

Today, we are working harder than ever to understand the culture that surrounds us and to engage with new and emerging platforms that will ultimately help grow the reach of our artists. We continue to be fluid and adaptive as we work together to put their music into the world."

Konrad von Löhneysen

Managing Director, Embassy of Music

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This is an exhilarating time for music, with growth and innovation spanning the ecosystem. Maintaining that growth relies, in part, on labels' continued investment and successful artist development. That's why our business model is based on building and sustaining artists' long-term careers, and why we work hand in hand with our artists, leveraging our global expertise, marketing and capital, to help them achieve their greatest potential creatively and commercially."

Sir Lucian Grainge

Chairman & Chief Executive Officer,
Universal Music Group

Steve Cooper
CEO, Warner Music Group

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Over the last year, artists have reached more audiences than ever before, across borders of language, culture and genre globally. We have a strategic mission that puts creators first. Our Artists Forward initiative was a key moment for Sony Music last year, prioritizing transparency and support for our music creators in all aspects of their development, and empowering artists with the insights, tools and resources needed to succeed."

Rob Stringer CBE

Chairman, Sony Music Group

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The numbers in this report show an industry in growth mode, which is vital for our investment in discovering and nurturing the artists of tomorrow. Fans are listening to more local artists than ever, and their music also has the power to go global from day one. We continue to explore and expand a new universe of opportunities at the intersection of music, virtual social media, and gaming. Music has never had more value and we're committed to protecting and promoting the rights of the diverse and dynamic creative community around the world."

Steve Cooper
CEO, Warner Music Group

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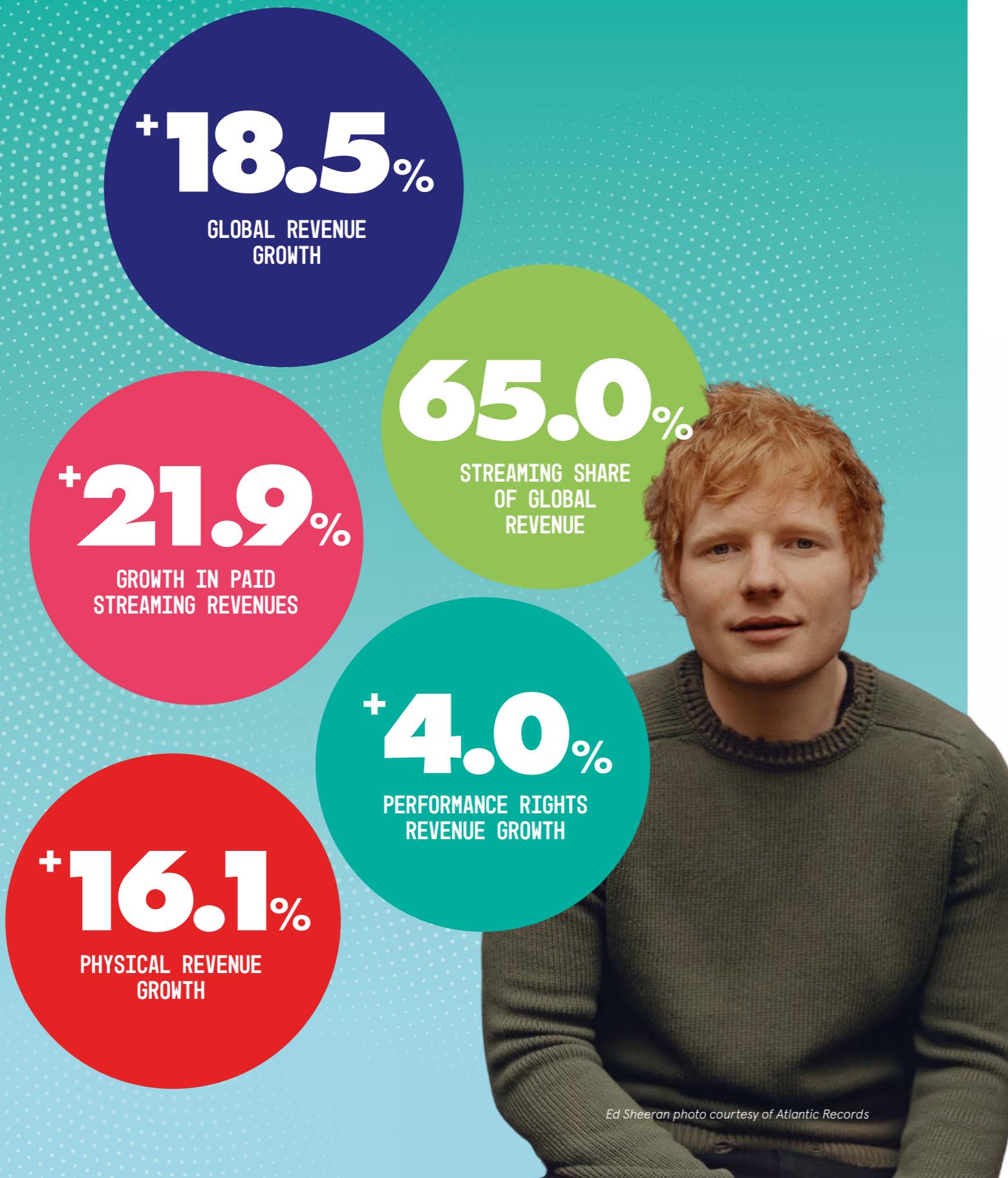
Enabling Music to Thrive

48

Photo Credits

50

GLOBAL MUSIC MARKET 2021 IN NUMBERS



INTRODUCTION

Music's unique power of connection

Under normal circumstances, I would begin the introduction to this report by pointing to the exciting developments we are seeing around the world. However, these are not normal circumstances and it is with a heavy heart that we follow events in Ukraine and the resulting humanitarian crisis. We stand with our record company members in their call for an end to the violence.

This report gives you an insight into the work record companies are doing to engage at a very local level, to support music cultures and bring on the development of emerging music ecosystems – championing local music and creating the opportunities for it to reach a global audience. As more markets mature, they join with and contribute to the rich, globally interconnected music world that continues to expand and develop to bring fans and artists together around the world.

Music is about the power of connection – connecting with an artist, a song, an album. Music has a unique power to engage us in a way that nothing else can. This report is all about music's exciting and evolving journey, and the people at record labels who are making possible new, extraordinarily engaging and immersive opportunities for artists and their fans.

Today's music market is the most competitive in memory. Fans are enjoying more music than ever and in so many different and new ways. Today, there are no barriers to entry; anyone can record

a song and post it for the world to enjoy. That's an enormous opportunity. But with some 60,000 songs uploaded every single day to one leading platform alone, it's harder than ever for artists to cut through and be noticed.

That's where record labels come in. Artists today have greater choice than ever in how to record and share their music. When artists partner with a label today, they benefit from the support of agile, highly responsive global teams of experts dedicated to helping them achieve creative and commercial success and build their long-term careers.

Record companies today drive global campaigns for artists using their experience and expertise whilst drawing on data, and feedback, to analyse the changing landscapes to adjust their approaches accordingly.

The artist-label partnership is one of creativity. As both technologies and the online environment continue to evolve and expand, so too do the opportunities for artists to make connections with their fans in these spaces. From the metaverse, to in-game content, record companies

have invested in the people and the technologies to deliver new, highly creative, and interactive opportunities for artists in this area. Whilst these opportunities are often on the cutting edge of audience engagement, they can be viewed simply as further ways for artists to make connections with their fans.

Music's incredibly exciting journey continues.



FRANCES MOORE
CHIEF EXECUTIVE, IFPI

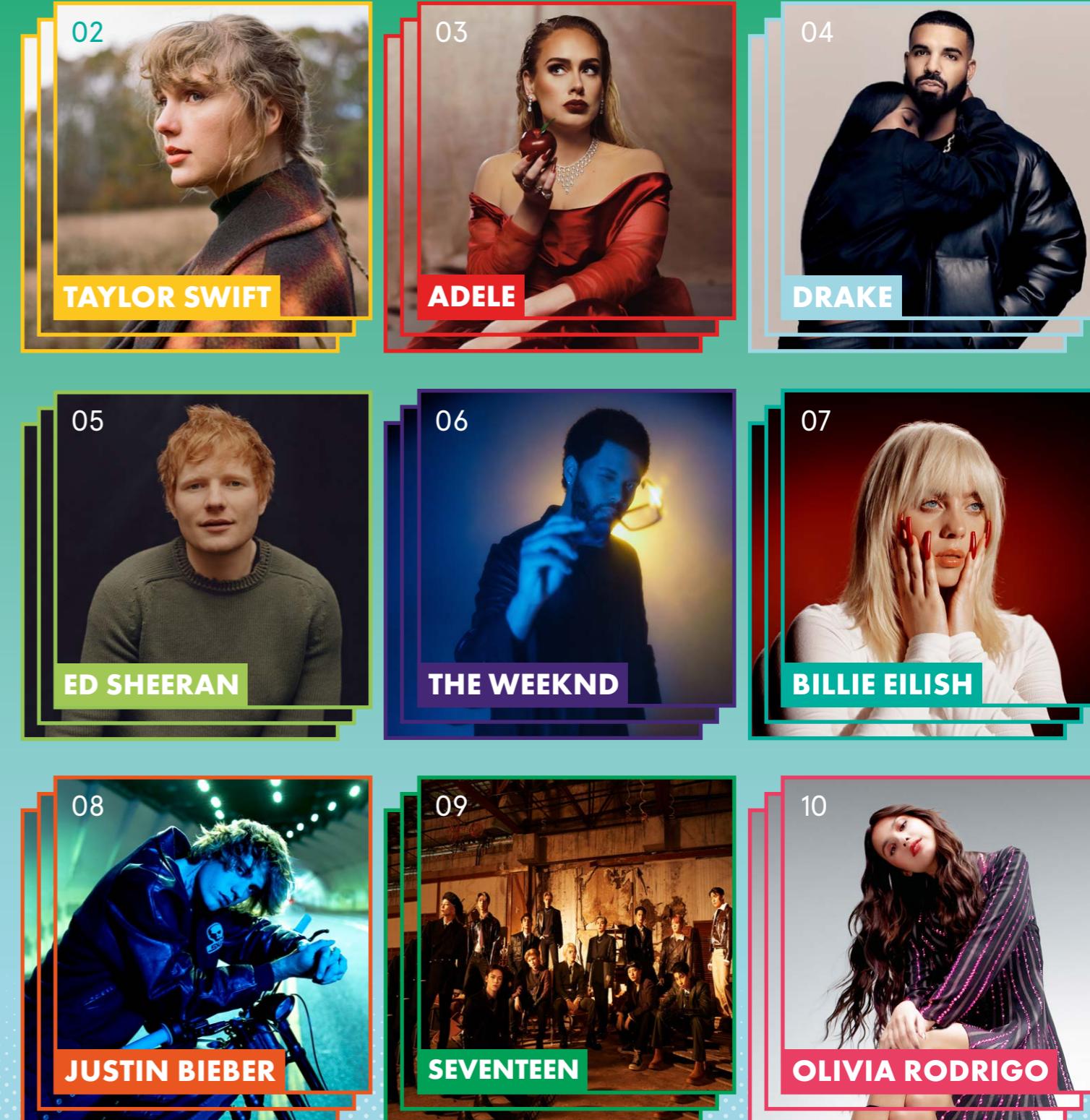
GLOBAL CHARTS

Most popular artists
and best sellers of 2021



IFPI TOP 10 GLOBAL RECORDING ARTISTS OF 2021

Source: IFPI



The IFPI Global Recording Artist Chart measures consumption across all formats (including streaming formats, digital and physical album, and singles sales) and all countries. It is weighted based on the relative value of each method of consumption.

GLOBAL TOP 10 GLOBAL DIGITAL SINGLE CHART 2021

Source: IFPI



01 THE WEEKND
Save Your Tears



02 THE KID LAROI, JUSTIN BIEBER
STAY



03 DUA LIPA
Levitating



04 BTS
Butter



05 OLIVIA RODRIGO
drivers license



06 JUSTIN BIEBER (FEAT. DANIEL CAESAR, GIVEON)
Peaches



07 THE WEEKND
Blinding Lights



08 OLIVIA RODRIGO
good 4 u



09 LIL NAS X
MONTERO (Call Me By Your Name)

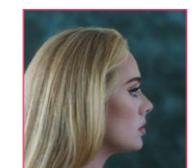


10 ED SHEERAN
Bad Habits

*Global converted subscription stream equivalent

GLOBAL TOP 10 ALBUM ALL-FORMAT CHART 2021

Source: IFPI



01 ADELE
30



02 OLIVIA RODRIGO
SOUR



03 JUSTIN BIEBER
Justice



04 ED SHEERAN
=



05 THE WEEKND
After Hours



06 DUA LIPA
Future Nostalgia



07 THE KID LAROI
F*CK LOVE (Mix Tape)



08 ABBA
Voyage



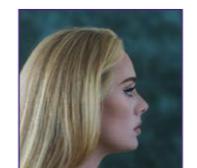
09 MORGAN WALLEN
Dangerous: The Double Album



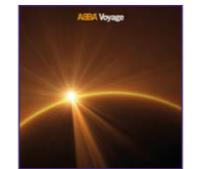
10 DOJA CAT
Planet Her

GLOBAL TOP 10 ALBUM SALES CHART 2021

Source: IFPI



01 ADELE
30



02 ABBA
Voyage



03 SEVENTEEN
Attacca



04 BTS
BTS, THE BEST



05 ED SHEERAN
=



06 JUSTIN BIEBER
Justice



07 TAYLOR SWIFT
Red (Taylor's Version)



08 SEVENTEEN
Your Choice



09 SNOW MAN
Snow Mania S1



10 TAYLOR SWIFT
Fearless (Taylor's Version)

GLOBAL TOP 10 VINYL ALBUMS CHART 2021

Source: IFPI



01 ADELE
30



02 HARRY STYLES
Fine Line



03 FLEETWOOD MAC
Rumours



04 OLIVIA RODRIGO
SOUR



05 BILLIE EILISH
Happier Than Ever



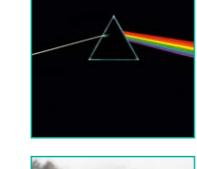
06 TAYLOR SWIFT
Red (Taylor's Version)



07 THE BEATLES
Abbey Road



08 NIRVANA
Nevermind



09 PINK FLOYD
The Dark Side Of The Moon



10 TAYLOR SWIFT
evermore

The IFPI Global Digital Single chart measures digital format singles across a calendar year, including paid subscription streaming, ad-supported platforms, and single-track downloads and streams.

The IFPI Global Album All Format Chart takes into account all consumption formats, spanning physical sales, digital downloads, and streaming platforms across a calendar year. It is weighted based on the relative value of each method of consumption.

The IFPI Global Album Sales Chart combines global sales of physical albums and digital album downloads to rank the top albums in a calendar year.

The IFPI Global Vinyl Album Chart combines global sales of vinyl format physical albums to rank the top albums in a calendar year.

GLOBAL MARKET OVERVIEW 2021

A resilient industry continues to grow

In 2021, the global recorded music market grew by 18.5% – a marked increase on the prior year's growth rate (+7.2%). There was revenue growth from streaming, physical formats, performance rights and synchronisation – in fact, revenues grew in all formats except digital downloads and other (non-streaming) digital. Each of the world's top 10 markets posted gains.

Once again, streaming – particularly paid subscription streaming – was a key driver of the overall growth. The dominant revenue format globally, streaming accounted for 65.0% of recorded music revenues, up from a 61.9% share in 2020.

This growth is fuelled by the work and investment of record companies who are helping to develop music markets around the world, supporting local artists and genres and connecting them with a global audience. Alongside this record companies are driving opportunities for fans to engage with music in new and increasingly diverse ways.

+18.5%

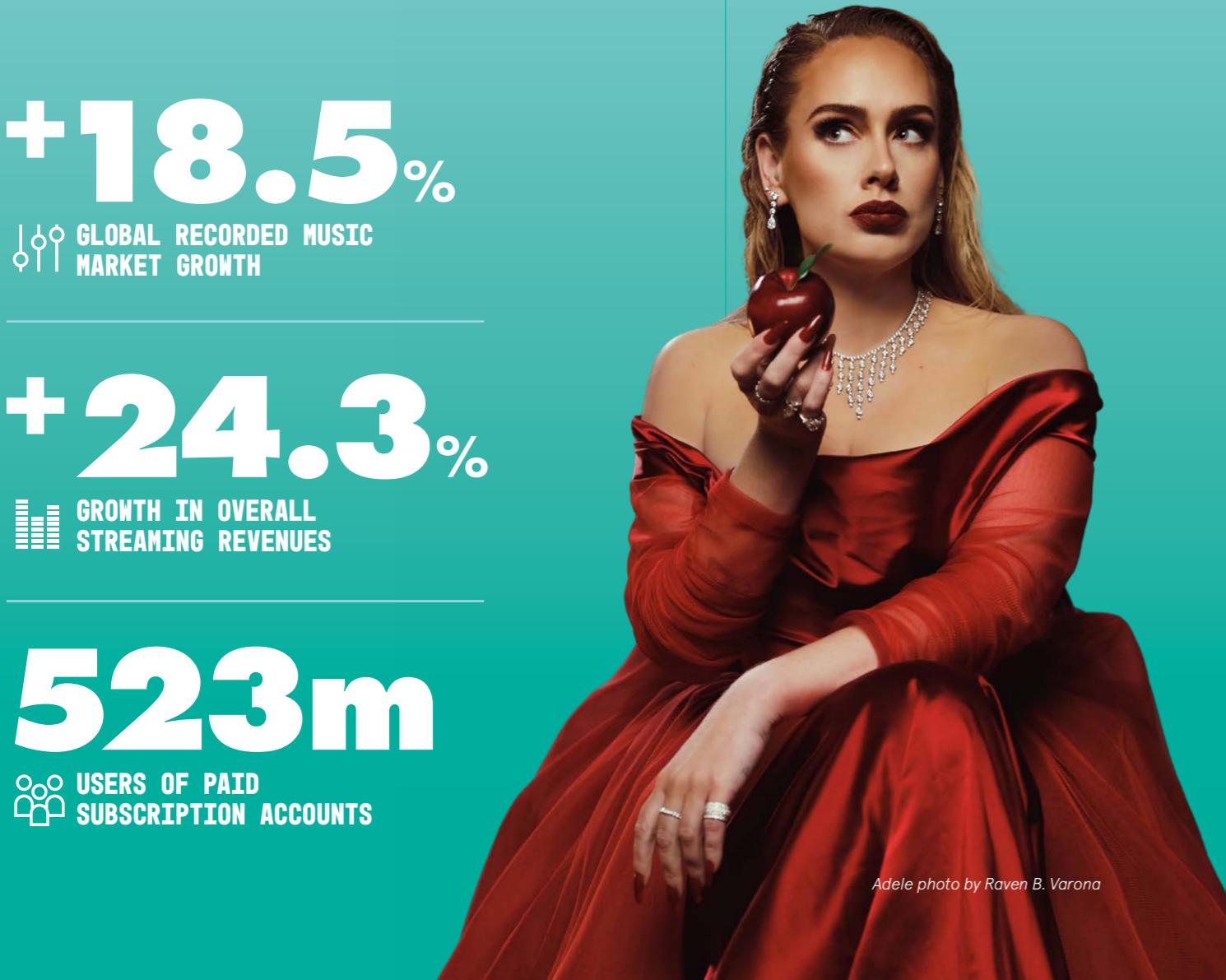
GLOBAL RECORDED MUSIC MARKET GROWTH

+24.3%

GROWTH IN OVERALL STREAMING REVENUES

523m

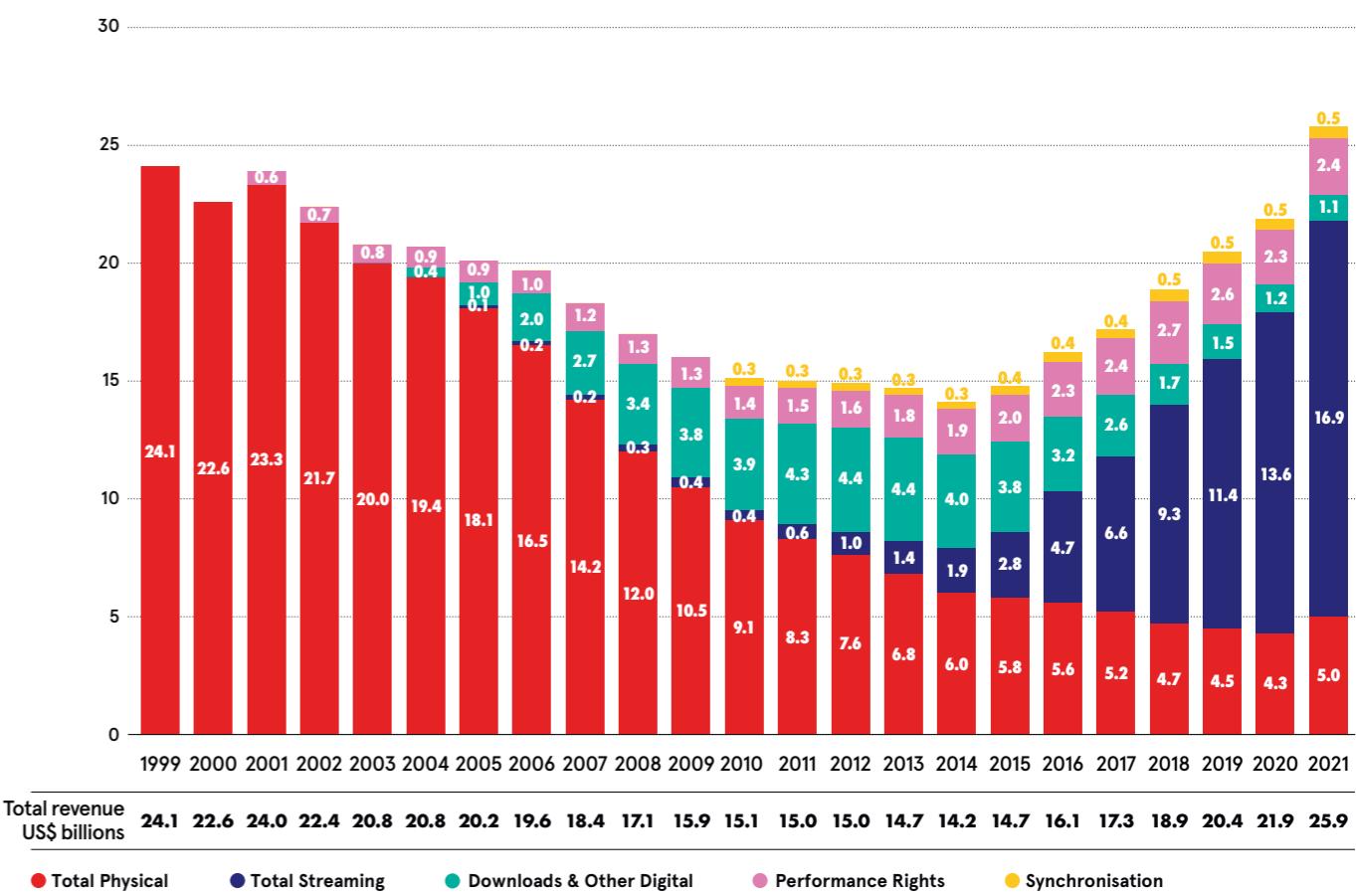
USERS OF PAID SUBSCRIPTION ACCOUNTS



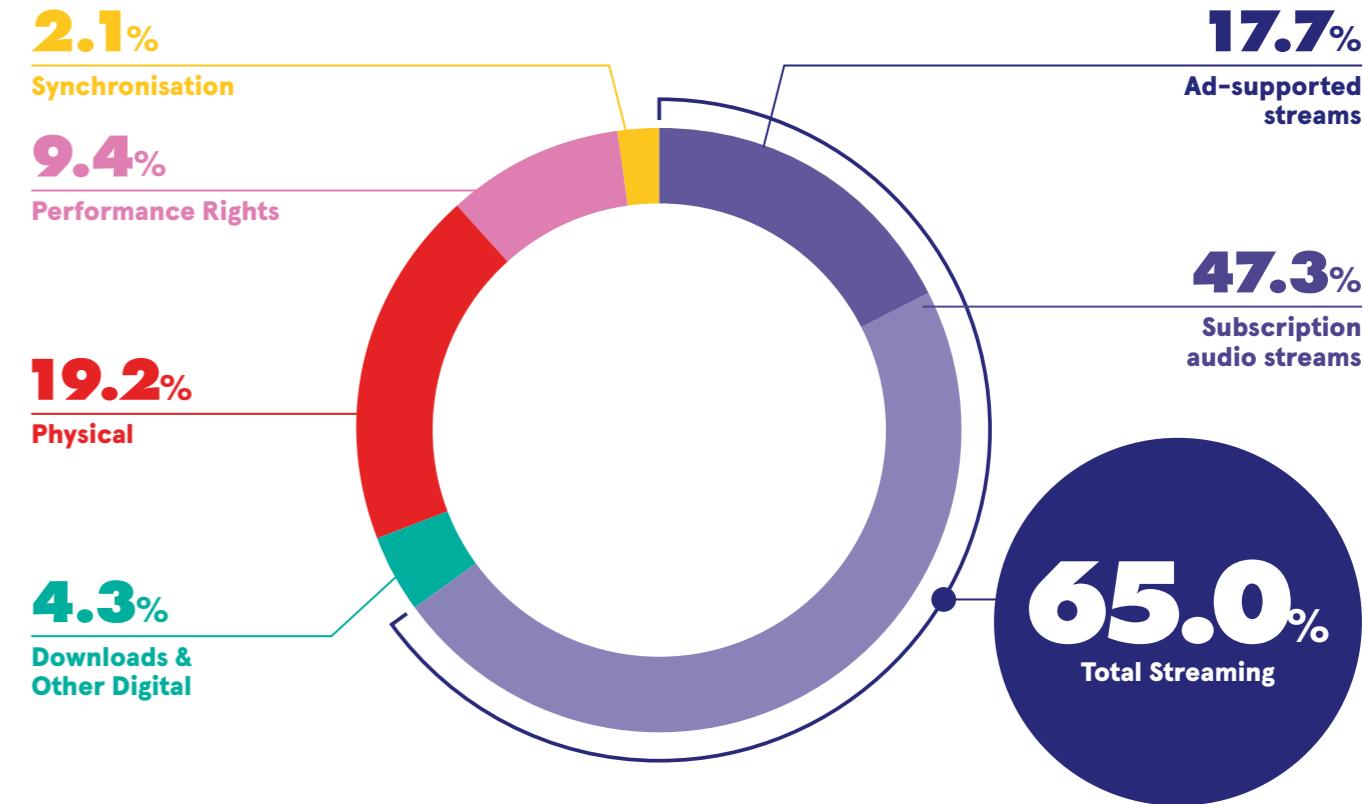
TOP 10 MUSIC MARKETS IN 2021

01	USA
02	Japan
03	UK
04	Germany
05	France
06	China
07	South Korea
08	Canada
09	Australia
10	Italy

GLOBAL RECORDED MUSIC INDUSTRY REVENUES 1999 – 2021 (US\$ BILLIONS)



GLOBAL RECORDED MUSIC REVENUES BY SEGMENT 2021



FIGURES BY FORMAT 2021

In 2021, recorded music revenues reached US\$25.9 billion, an increase of 18.5% on 2020 and the highest revenue levels this millennium. In the seventh consecutive year of growth, streaming once again proved a key driver and the dominant format globally, growing in every region.



STREAMING

Streaming continued to grow strongly in 2021, up by 24.3% to US\$16.9 billion (a rise of five percentage points on the prior year's growth rate of 19.1%). Paid streaming remained a significant driver: revenues rose by 21.9% and accounted for 47.3% of the global market alone (US\$12.3 billion). Overall streaming accounted for 65.0% of total global recorded music revenues and was the leading revenue format in nearly all markets.

+24.3%



DOWNLOADS & OTHER DIGITAL

The only channel to see a decline in 2021, revenue generated by downloads and other digital formats fell by 10.7% as the trajectory of digital music consumption continued to move from an ownership to an access model. Revenues from permanent downloads fell by 15.3% to US\$839.3 million and represented just 3.2% of the global market in 2021. Other digital formats experienced growth (+6.8 %) but represent only 1.1% of global revenues.



PHYSICAL

For the first time in 20 years, there was growth in the physical market. Revenues increased by 16.1% to US\$5.0 billion. This was partly driven by a recovery in physical retail which had been heavily impacted in 2020 by the COVID-19 pandemic. Revenues from CDs grew for the first time this millennium and there was particularly strong engagement with the format in Asia. At the same time, the recent resurgence of interest in vinyl continued with very strong revenue growth in 2021 of 51.3% (up from 25.9% growth in 2020).



PERFORMANCE RIGHTS

Revenue from performance rights – the use of recorded music by broadcasters and public venues – showed a recovery from the pandemic-impacted decline of 2020 and grew by 4.0% in 2021 to US\$2.4 billion. This represented 9.4% of global recorded music industry revenues.



SYNCHRONISATION

Synchronisation revenues – the use of recorded music in advertising, film, games and TV – climbed by 22.0% (US\$549.1 million) in 2021. This was partly attributable to post-COVID recovery, as with some other formats which experienced decline the previous year. Revenues from synchronisation accounted for 2.1% of the global market.

-10.7%

+16.1%

+4.0%

+22.0%



Dua Lipa photo by Hugo Comte

FIGURES BY REGION 2021

There was strong growth in the global recorded music market in 2021. Every region posted revenue growth and five of the seven regions experienced double digit percentage growth.

Reflecting notable growth in Africa, this year's *Global Music Report* now reports for the first time individually on both Sub-Saharan Africa and also the Middle East and North Africa. The latter was the fastest growing region in the world.

EUROPE

+15.4%

Revenues in Europe rose steeply by 15.4% in 2021, a considerable increase on the prior year's growth of 3.2%. Europe remained the world's second largest region for recorded music revenues and accounted for 30.1% of the global market.

UK, Germany, and France were still the region's three largest markets. Each held their positions in the global top 10 with double digit percentage revenue growth of 13.2%, 12.6% and 11.8% respectively.

Italy returned to the top 10 markets after growth of 27.8%. In all four of the European markets in the global top ten, growth was largely driven by gains in streaming revenues.

AUSTRALASIA

+4.1%

Representing 2.2% of worldwide revenues, there was a modest increase of 4.1% in revenues from Australasia. Australia remained a key top 10 market as revenues grew by 3.4%, again driven by streaming (+8.4%). The same story was seen in New Zealand where streaming revenues grew by 12.2%, driving overall market growth of 8.2%.

ASIA

+16.1%

There was double digit percentage revenue growth in Asia of 16.1% in 2021, up from prior year's growth of 10.7%. This was partly attributable to the return to growth of the region's largest market, Japan (revenues were up by 9.3% in contrast to the prior year's decline of 2.0%). Excluding Japan's growth, revenues in the region were up by 24.6%. Overall revenues from Asia accounted for 23.0% of the global market. After a rebound in physical revenues during 2021, Asia was also responsible for a significant share (49.6%) of global physical sales.

LATIN AMERICA

+31.2%

Representing 3.9% of the global market, revenues in Latin America continued to grow strongly. 2021 was the 12th year of consecutive growth in the region, and revenues were up by 31.2%. Streaming revenues accounted for 85.9% of the Latin American market, one of the highest proportions in any region. All markets in the region experienced growth. The top two Latin American markets – Brazil (+32.0%) and Mexico (+27.7%) – accounted for 66.5% of the region's revenues.

MIDDLE EAST & NORTH AFRICA

+35.0%

With exceptional revenue growth of 35.0%, the Middle East and North Africa (MENA) was the world's fastest growing region in 2021. Streaming increased to 95.3% share of the market as overall revenues grew to US\$89.5 million.

USA & CANADA

+22.0%

Following continued growth in paid streaming and strong gains in the world's largest market (the USA, where revenues were up by 22.6%) there was overall revenue growth of 22.0% in the USA and Canada. This outpaced the global growth rate and was considerably higher than growth in 2020 of 7.5%.

There was growth of 12.6% in Canada, also a top 10 market. Paid streaming was the dominant format and revenues were up by 15.6%.

SUB-SAHARAN AFRICA

+9.6%

There was modest revenue growth of 9.6% in Sub-Saharan Africa (SSA) in 2021, partly impacted by slower growth in the region's largest market, South Africa (+2.6%). Consistent with all other regions, SSA saw an increase in revenues from streaming, especially ad-supported streaming where revenues rose by 56.4%.

EVOLVING PARTNERSHIPS WITH ARTISTS

A label's role is to help an artist realise their creative and commercial ambitions. It is a true partnership – a shared initiative of complementary visions and expertise; a collaboration of powerful synergies that, done right, moves fans and changes culture.

It is a delicate back-and-forth: making art that cuts through in a constantly evolving and increasingly competitive landscape demands the best of both partners.

Indeed, the very lexicon of music has changed. Austin Daboh, Executive Vice President, Atlantic Records UK, Warner Music, says: "When we're speaking to artists these days, we don't really use the word 'signing', we talk about partnerships from day one."

Michelle Jubelirer, Chair and CEO at Capitol Music Group agrees: "Every decision we make as a label is viewed through the lens of what is right for a particular artist or release. That means that when an artist joins one of our labels, they can expect unrelenting support and a dedicated team of people who are in sync with their creative vision and career goals."

"It's really important for us at the label to be viewed by every artist and their team as an ally."

Daboh also stresses how record companies must constantly be at the top of their game, adding real value and bringing unique skill sets. "It has never been easier to run a campaign as an independent artist as it is today, and we've seen some great examples of

artists doing that, using one of the various distribution services. But you cannot beat a team of 20 or 30 people waking up in the morning with you on the brain, obsessing about how to break your music, people that have got literally hundreds of years' experience between them, experience of marketing, experience of A&R, experience of breaking big acts, plus the contact books and so on."

Daboh's colleague, Rich Castillo, A&R Director, Atlantic Records UK, Warner Music, continues – and offers up a recent example of partnership in practice. "Artists know who they are, and they have managers who add value themselves. Our job is to enhance that and support that."

"With [globally successful UK artist] Tion Wayne, he was at a place where he was very clear in what he wanted. He's very focused, very determined and we helped expand the opportunities with some more European and global mixes, which he was really into."

Daboh takes up the story: "We really believed in his ability to do something special. We released *Body* and it immediately reacted, surging into the UK Top 40 the week of release, but the data was coming in fast, and only about 50% of it was from the UK. So we had to make really quick judgement calls based

Karol G photo courtesy of Universal Music Group



“

Every decision we make as a label is viewed through the lens of what is right for a particular artist or release.

MICHELLE JUBELIRER
CHAIR AND CEO AT CAPITOL MUSIC GROUP

on that to respond to his growing global appeal. That was one of the key reasons we created the European remix package so early on rather than waiting weeks or months.

"I think what *Body* and Tion's subsequent success around the world shows is the level of speed, efficiency and nimbleness that record companies have to work at internationally today."

And key to this success was the close partnership, not only with the artist and the domestic label, but within the global company itself – Victor Aroldoss, SVP International Marketing, Warner Music UK, states "As well as being a priority artist for Warner Music UK, international markets had also started telling Tion Wayne's story locally and they reacted at lightning speed when the data started to talk back so loudly for *Body*. Collectively through my team, and the many Warner Music teams across the globe, international commercial success was achieved – which included the first ever Australian number one single from a UK rap act – and we laid down some authentic long-term foundations for Tion's global career over a number of key territories."

'WE TAKE EVERY STEP TO ENSURE THAT OBSTACLES AHEAD ARE SEEN AS CHALLENGES THAT CAN BE OVERCOME, AND NOT IMPEDIMENTS TO FUTURE SUCCESS'

Jubelirer highlights the importance of clear communication channels between an artist and their label: "We have open, honest, transparent and sometimes heated discussions with our artists, but it always gets back to what is in their best interest."

"We're not afraid of having tough conversations because we believe that's something critically important to an artist's long-term career with us. We take every step to ensure that obstacles ahead are seen as challenges that can be overcome, and not impediments to future success."

Elodie Bensoussan, Vice President International Marketing Europe & Africa, Sony Music Entertainment, tells of another successful partnership. "A DJ called Lost Frequencies is an artist who already had some history in a few markets before he joined us, but the progress of his career was slowing. When

we sat down and talked to him though, he was really ready to revamp everything and reinvent himself.

and connecting them with producers, writers and certainly more international collaborators than they might otherwise have access to. That sort of joining the dots on a global scale can enable them to add other layers to their storytelling.

"We also spread the word between markets and facilitate communication between the territories. We make sure every country is not just aware of the artist, but that they have an understanding of their vision and their voice. Respecting that identity is crucial, because staying true to that is what might just make them emerge ahead of a million other artists."

and their music, and work to reach that potential new audience.

"The music market continues to grow and our label has never been tied to a genre, so it has always been very versatile – from Calvin Harris's first two albums to Carla Bruni's first three, from Crazy Frog to Moby, Robyn to Passenger – we have always been fluid and adaptive. We were involved in the setting up of the first purely digital distribution in Germany in 2001 and had the first online public relations approach and grew our social media marketing team early. It's in our DNA as a label.

"In terms of what that means for a record label's relationship with their artist, I don't think that it necessarily changes things. Essentially, artists still want somebody that can help them to transfer their creative work, their art, into a professional and commercial world, and that doesn't really matter if it's in the form of a CD, a stream, a

RICH CASTILLO
A&R DIRECTOR,
ATLANTIC RECORDS UK,
WARNER MUSIC

"The first track, *Rise*, did well, but then the second track, *Where Are You Now?* Exploded. It was in the Top 15 in the global chart and Top 5 in the UK. What was great about the campaign is that it all stemmed from regular conversations with the artist, his commitment to changing things up and our ability to understand his vision."

Daniel Lieberberg, President, Continental Europe and Africa, Sony Music Entertainment, reflects on the point that it's crucial to have the right teams in place to support the artist: "We employ people in our teams who are entrepreneurial, who are constantly pushing and driving new ideas. If you want to successfully partner with artists, then it's crucial you build your teams in this way."

Bensoussan also refers to the importance of flexibility and agility: "You can't think of artist partnerships as consisting of a certain set of services, because they can include anything, and they have to be tailored to each individual artist. Plus, different artists need different kinds of partnerships and different elements of support, depending on what stage they are at in their career."

Sam Riback, EVP & Co-Head of A&R at Universal Music Group's Interscope Geffen A&M agrees: "No artist's trajectory is the same as another. For each individual case, we must adapt and adjust to make sure that we super-serve every artist in every market."

Bensoussan continues: "Some cornerstones are data, analysis and insights, extra marketing expertise,

Similarly, Konrad von Löhneysen, Founder and Director of Embassy of Music reflects on evolving artist partnerships from an independent label perspective: "We let our artists be who they are, that's always our approach when we sign an artist. That way we can work to best identify who would connect with them



Broilers photo by Rober Eikelpoth

download or if it's TikTok, or a radio station. Our relationship with the media and with retail has changed, but not our relationship with the artist.

"What they still need is somebody to help them ensure that their art can reach as many people as possible."

This sentiment is also reflected at Atlantic UK, as Castillo explains: "Some artists have clear ideas about who they want to work with and collaborate with, and we might be able to help make that happen. With other artists it is a question of giving them some names and ideas, talking it through with them and figuring out together what will be interesting and creative."

As Sam Ribeck agrees, reflecting on Interscope Geffen A&M's hugely successful partnership with breakout star Olivia Rodrigo: "When it's needed, labels can be a great creative sounding board for artists, they can offer a safe space where artists can talk through ideas, concepts, potential partnerships and much more." (See case study on page 47).

Brad Navin, CEO, The Orchard also reflects on this in the context of the global music distribution service they offer to artists: "Artists are more in control today than ever before in terms of how they want to

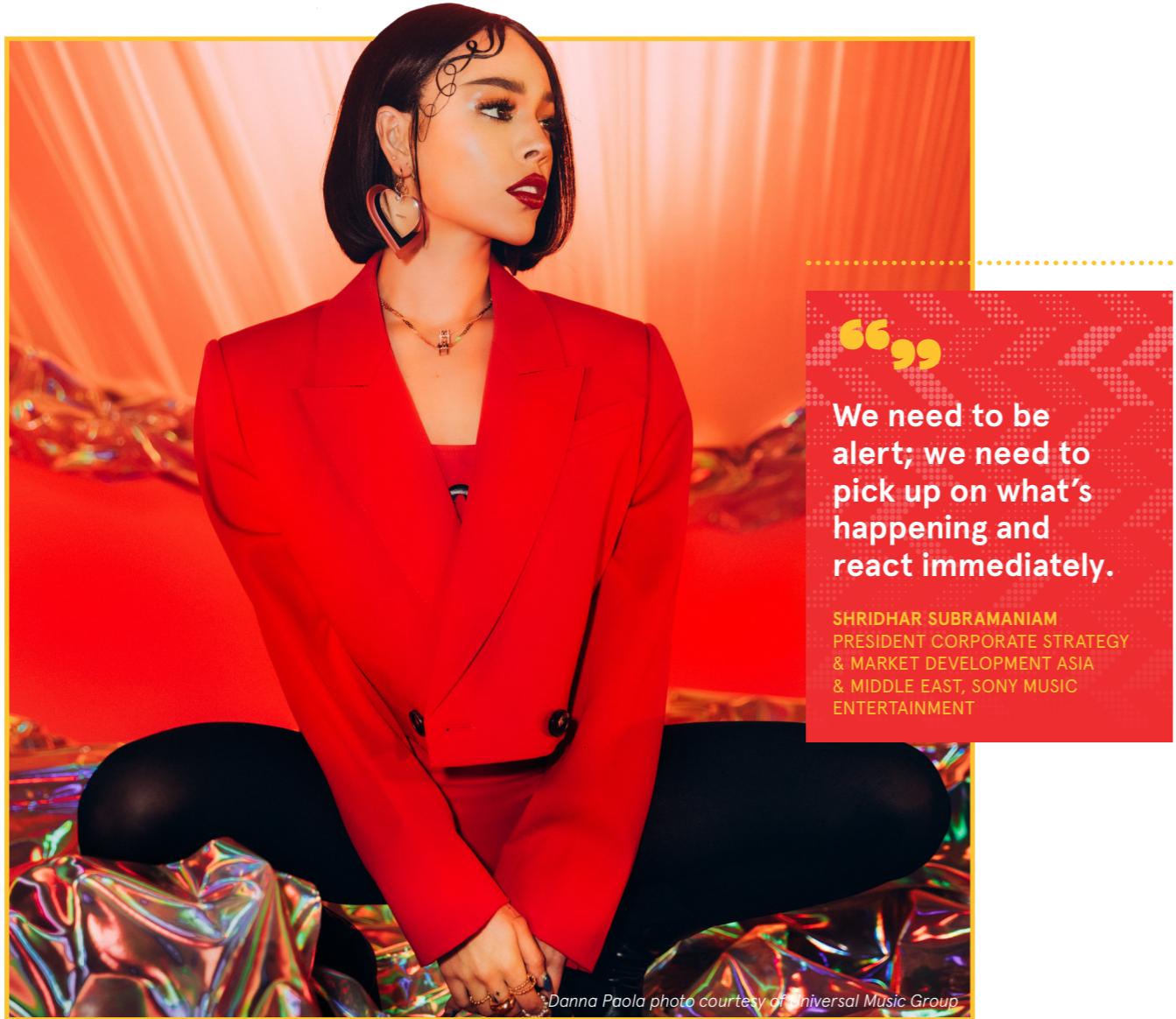


Aqyila photo by Matthew Guido

“

We identify who would connect with our artists and their music, and work to reach that potential new audience.

KONRAD VON LÖHNEYSEN
FOUNDER AND DIRECTOR OF
EMBASSY OF MUSIC



Danna Paola photo courtesy of Universal Music Group

'WE MOVE FAST AND WE'RE EXTREMELY AGILE.'

Victor Aroldoss, Senior Vice President, International Marketing, Warner Music UK, points out that one of the most important aspects of a partnership with a record company is that it is global from day one. "There's no such thing as a solely domestic campaign anymore, we just don't think like that. We have daily dialogue with every single market to ensure they're aware of what all the artists are doing and to ensure they have everything they need to give those artists the best possible chance of success around the world."

Maria Fernandez, Executive Vice President, COO, Latin Iberia, Sony Music Entertainment returns to the idea that artists' desire for creative independence should shape a record company's offering: "Artists like the idea of having full control over their creativity and we provide that along with choice of support and services tailored to their individual

needs. So we need to adapt, we need to ask them what they need, what services can we provide.

"That means being adaptable and being able to move quickly. You have to be those things anyway because where we used to say 'the industry has changed over the last couple of years', now it's 'the industry has changed over the last couple of weeks!'".

"It's changing at a pace which is hard to keep up with, but that's the challenge, and that's why record companies adapt and react more quickly than ever before. We move fast and we're extremely agile."

Alexandra Falken, VP, Columbia, Sony Music Germany, agrees that "there is no template for artist partnerships, but the most important common factor is that we need to be on eye-level with each other, it needs to be an even relationship."

66,99

We need to be alert; we need to pick up on what's happening and react immediately.

SHRIDHAR SUBRAMANIAM
PRESIDENT CORPORATE STRATEGY & MARKET DEVELOPMENT ASIA & MIDDLE EAST, SONY MUSIC ENTERTAINMENT

'THERE'S SO MUCH ENERGY THAT GOES INTO EVERY CAMPAIGN'

She continues: "When that's the case, there is more trust, and it's so much easier to have a discussion and ask questions to see if there's a better or different way of doing something.

"It also means that we are in a better position to keep pushing for an artist because we know they're as invested in this partnership as we are, and we share the same goal."

Dipesh Parmar, President, MinistryOfSound, Sony Music Entertainment, reiterates the importance of communication and

commitment: "Our relationship with artists is stronger than ever before, whether that's finishing records in the studio or digging into the details of a marketing campaign. There's so much energy that goes into every campaign and we certainly spend more time in the pre-release period than previously – all of it in partnership with the artist.

"It's so important that our artists know how we can work together and make sure all bases are covered before a record comes out – and how we will continue to tell their story and engage with their audience for an extended period post-release.



Vu photo by Tuanti

"We invest heavily in artist development. If you look at some cases of artists breaking in the UK, it can be anywhere between three and five years. That means investing more than we have before and investing globally. A commitment like that has to be based on a partnership and on mutual trust."

Shridhar Subramaniam, President Corporate Strategy & Market Development Asia & Middle East, Sony Music Entertainment, stresses that the creativity and diversity of record companies also play key roles: "Some of the things artists need from a record company are agility, dynamism and creativity. We need to be alert; we need to pick up on what's happening and react immediately. And we need new strategies, bespoke strategies. 'I want to get traction on a particular platform ahead of my album release'. Sure, everybody knows that, and everybody wants that, but what if it doesn't happen? What's the next idea? And the next?

"Record companies are full of different people with different backgrounds, different cultures and different experiences whose job it is to answer those questions."



Jain photo by Fifou & Bose

'WE ARE ABLE TO CREATE AFFINITIES THAT BOTH FURTHER THE GOALS OF THE ARTIST'S CREATIVE VISION AS WELL AS FURTHER THE GOAL OF THE PARTNER BRAND.'

Michele Anthony, EVP, Universal Music Group, reflects on the work of record companies to drive expanding commercial and creative opportunities for artists: "The opportunities for artists and for record labels have never been greater than they are today."

Turning to brand partnerships, Anthony elaborates: "Brands know how relevant and important music is but they don't always know what to do with it. We can help with this. We begin our process by holding workshops that are both insight- and data-driven and, depending on the opportunity, we can utilise any aspect of our company – we can consult on an idea as a trusted, experienced advisor or, for example, we can develop and deliver a multi-year brand campaign which might include 30 artists. We operate in more than 60 territories so we are able to bring an incredible level of resource to an artist-brand project. We are also able to uniquely utilize our media to amplify our campaigns."

"The key to our success is that we are able to create affinities that both further the goals of the artist's creative vision as well as further the goal of the partner

brand. That starts at the workshops and is underpinned with data and analytics."

Anthony goes on to highlight film and TV production as another key partnership opportunity – one where artists can "paint with a different colour on the canvas" and where music companies are driving the opportunities: "The goal is to take our best-in-class artists and catalogues, and marry them with world-class filmmakers, writers, directors."

"These projects go far beyond us being the soundtrack partners to a project. We no longer are just licensors, we are also producers. We want to partner with the best storytellers to create compelling narratives with universal appeal."

"You want the story to stand on its own so that even someone who isn't a fan can engage with it and enjoy and we can engage the next generation with this art. If you look at the movie we produced on [80's all-girl pioneering rock group] The Go Go's, all of a sudden, young girls that hadn't even heard of them were getting excited about a group that were one of the first to do it their way."

Anthony concludes: "Ultimately we want to find the right story and marry it with the amazing music of which we're the custodians."



“The opportunities for artists and for record labels have never been greater than they are today.”

MICHELE ANTHONY
EVP, UNIVERSAL MUSIC GROUP



Moneybagg Yo photo by M Harris

Artist Well-being

Record companies recognise the varied pressures that face their artist partners at every stage of their career. In response, they have formalised and extended their programmes of support that now look at all aspects of artist welfare in the context of today's constantly evolving industry.

Sony Music Entertainment launched its global Artists Forward initiative in 2021 with a focus on supporting artists around the world via a range of programmes focused on royalty enhancements, data insights, career information resources, and wellness.

Susan Moultrie, Senior Vice President of Artist Initiatives and Business Administration, Sony Music Entertainment, explains: "I think the most important thing is that we're listening. We're paying attention to our artists, what they're saying and what they need, be they legacy artists or new signings."

SME's Artist Assistance Programme, a key strand of Artists Forward, offers

artists access to free, confidential, global counselling services available in 70 languages for addressing a variety of issues, from stress and anxiety to relationship problems, and more.

“Responding to whatever it is that an artist needs is really critical for us.”

ERIC HUTCHERSON
CHIEF PEOPLE & INCLUSION OFFICER, UNIVERSAL MUSIC GROUP

Universal Music UK has also launched a programme to help support its artists with counselling and advice on all aspects of their career. This includes providing referrals to a wide range of professional help, from mental health counselling to vocal coaching and beyond.

Selina Webb, EVP, Universal Music UK explains: "The feeling was that a centralised programme of support would allow us to be more proactive and preventative on the issue of artist welfare."

"The aim is to offer an initial wellbeing check-in to provide guidance to all our emerging artists, ensuring they have the right support to develop and thrive throughout their career, with the expertise and team in place to step in to advise staff and provide direct support for any artist who may be going through a difficult time. The company has employed a British Association for Counselling and Psychotherapy-registered counsellor with a background in the music industry whose work with artists is carried out in strict confidence. The counsellor offers informal check-ins and suggestions on ongoing referrals as well as formal counselling, providing a safe, supportive space where artists can just talk and be heard. Talking to the counsellor does not have to mean artists are experiencing difficulties with their mental health; prevention is a big driver of this initiative which we are rolling out to protect our artists' wellbeing."



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There's no one way to successfully navigate this situation, so it's about giving artists the tools to find their own path.

ED HOWARD
CO-PRESIDENT, ATLANTIC RECORDS
UK, WARNER MUSIC

The centralised programme is something in which Claire Haffenden, Director of Artist Relations, Universal Music UK, is heavily involved. She says: "We aim to introduce all of our new artists to the service when they first start their journey with us. When they are finding their way as an artist, both on and off the stage, it's really important that they get connected with the right people so that they know they have that support whenever they need it."

That support can vary widely and is unique to each artist and their experiences: "It could be as simple as needing vocal support from a coach or things may not be going well and they need access to counselling. It's about having clear signposting so that everyone knows the services that are available to them, and they can find the solutions."

In addition to developing programmes of support, record companies are also adapting their working practices with artists to ensure their welfare is prioritised.

Haffenden adds: "One thing that has changed is if you looked at an artist's schedule maybe 20 years ago, it would be rammed with promo whereas now it's much more thought out, much more considered. Everybody working with our

artists understands the importance of downtime and that is factored into their schedules."

Eric Hutcherson, Chief People & Inclusion Officer, Universal Music Group, expands on this: "There are a number of examples of artists who have reached out to say - 'Listen, I'm really having a hard time and I could use some support'. For example, sometimes young artists have to deal with the pressures and the challenges of waking up one morning and being famous and dealing with all the stress that goes with that."

"Responding to whatever it is that an artist needs is really critical for us, whether that's mental health services, physical health services, financial health services, education services, even access to community services."

Ed Howard, Co-President, Atlantic Records UK, Warner Music, agrees: "Navigating the music industry can be hugely challenging, especially for new artists who can be overwhelmed by the changes in their life that success brings. There's no one way to successfully navigate this situation, so it's about giving artists the tools to find their own path. Just being able to get an outside perspective on their situation can be helpful."

"We see this sort of approach as an extension of the creative and commercial support that we give artists. We want to build long-term partnerships with artists and that's best achieved when they're happy with their whole life, not just their commercial success."

Webb also reflects on the fact that attitudes to mental health have also progressed: "It's a much more open conversation now than it was a few years ago. There is less stigma around mental health and having that conversation early is potentially very powerful. So that artists know what support they can draw on."

On this point, Howard adds: "It's great news that the stigma around talking about mental health is starting to be

broken down, but there's obviously a long way to go in that journey. There are also huge parts of an artist's career, such as live, that we're not so involved with, so we all need to work with partners to develop a truly industry-wide approach."

Warner Music Group has also developed initiatives in this area across their global network. Howard explains: "One of things we're doing is starting to educate our people on the most constructive ways to help those in need of mental health assistance.

"Our UK business has also partnered with a clinical psychologist to design and run a pilot programme with newly signed artists. We're now extending that to artists at all stages of their careers."

Rich Castillo, A&R Director, Atlantic Records UK, Warner Music agrees with bringing artist welfare to the forefront from the start of a relationship: "From our side, from the get-go, artist welfare is something that's really, really important to us. When we engage with artists one of the first things I ask is, 'How can we support you?'"

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We're paying attention to our artists, what they're saying and what they need.

SUSAN MOULTRIE
SENIOR VICE PRESIDENT OF
ARTIST INITIATIVES AND BUSINESS
ADMINISTRATION, SONY MUSIC
ENTERTAINMENT



Amy Shark photo by Jess Gleeson

DRIVING INNOVATION



Budjerah photo by Elliot Lauren Ryan

Record companies today are highly engaged with the opportunities that new technologies and the ever expanding – and increasingly immersive – online environment provide artists to express their creativity and make more connections with fans.

Areas such as gaming, the metaverse and short-form video platforms, unlock new tools for artists as well as new revenue streams. Together, artists and labels can discover creative and innovative ways to utilise these new technologies, sharing their music with the world and maximising exposure.

Dennis Kooker, President, Global Digital Business & US Sales, Sony Music Entertainment says: "We've been through multiple cycles of disruption, some that have been really negative, some that have been really positive. The key now is making sure we actually help

shape those changes and that future in a way that really works for our artists.

"With emerging technology players, many come into the market full of enthusiasm but tend to think in binary terms of status quo versus revolution – like you have to pick a side. It's not a viewpoint that benefits our artists or helps them fulfil their objectives.

"Our focus is ensuring that, if we get it right, these other areas will be incremental, and what that means is, even with an already healthy and growing market, we can accelerate that growth."



Tones and I photo by Giulia McGauran

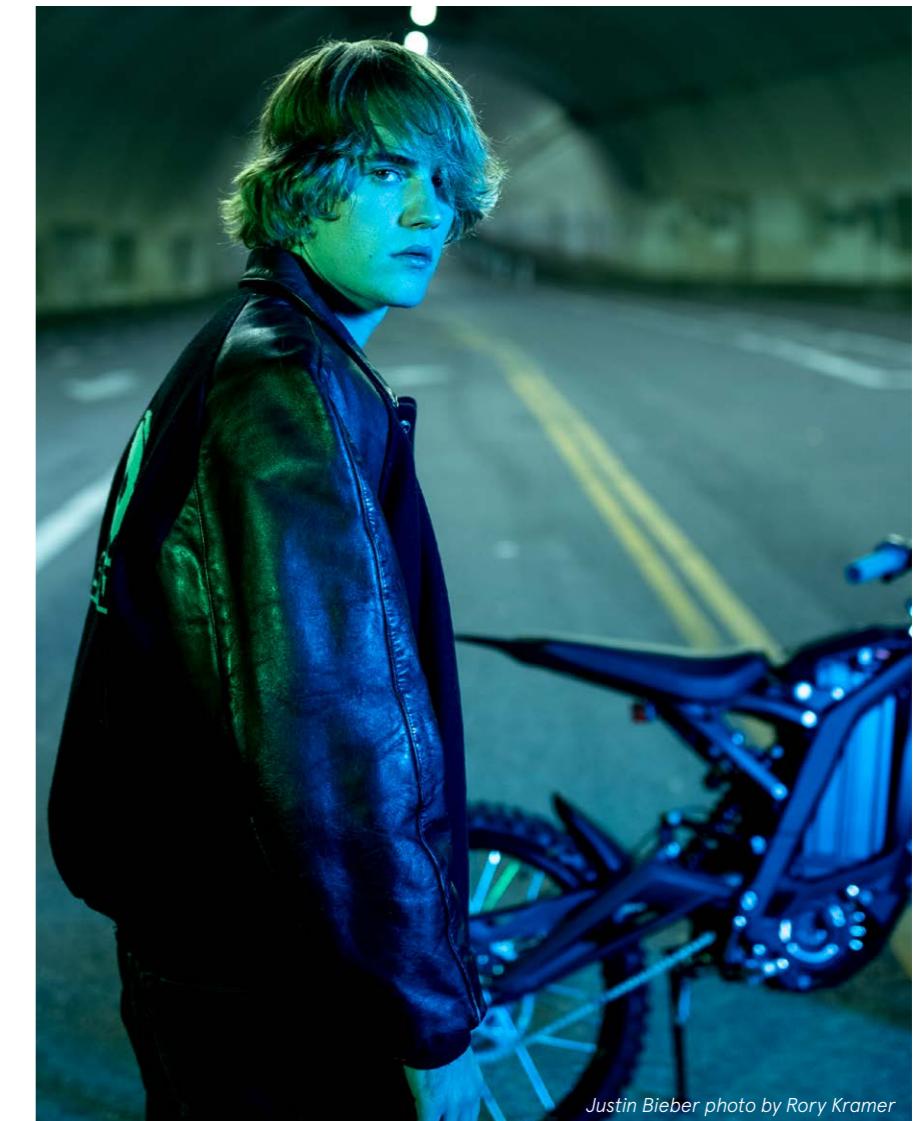
'FANS HAVE ALWAYS WANTED TO FEEL CLOSE TO THE ARTIST AND IT HAS ALWAYS BEEN OUR JOB TO BE THE INVISIBLE CONNECTOR THAT MAKES THAT HAPPEN'

Kooker continues: "A lot of the things we're talking about are at really early stages of development, and whilst the speed of technological advances is ever-increasing, the reality is that it's going to take a considerable amount of time and experimentation to make them into scalable business models. And we'll make mistakes along the way, we're not visionaries, so check the ego at the door. This is about reading the market, experimenting, trialling, collaborating – and then executing, which isn't the exciting part but it's definitely the hard part."

He also reflects on the almost counter-intuitive notion that whilst new technology and concepts are digital, remote and virtual, they are key new strands in the connection between fans and artists: "Fans have always wanted to feel close to the artist and it has always been our job to be the invisible connector that makes that happen. That's as true and as important in these emerging sectors as it has always been. In fact, now I think we're looking at opportunities to get fans and artists closer than ever."

Oana Ruxandra, Chief Digital Officer & EVP, Business Development, Warner Music Group, adds: "The fundamentals of Web3, as this next iteration of technology pertains to music, actually brings the industry even closer to the roots of artist and audience collaboration. So, yes, it's a metaverse and blockchain and DeFi and NFTs but it's also very real, very connected, very direct and all about supporting creatives and building community."

"And being part of the community means being a part of the creative process such that artists, yes, of course, will create content and also, that content will be engaged with immediately by the community to create new and dynamic experiences that build upon that content. So, you've got this living, breathing organism in the artists and their interplay with the community."



Justin Bieber photo by Rory Kramer

'WE DON'T WANT TO BE REACTIVE OR ON THE BACK FOOT, WE WANT TO BE WRITING THE STORY.'

Ruxandra continues: "The only reason we are able to build and drive forward so quickly is because we are watching and learning from what our artists are doing, what their fans are doing and working to understand how we can provide real, holistic value. We are listening because our artists and their fans are more switched on than ever."

"We are here to enable our artists to deeply understand and expand upon these technological changes. We don't want to be reactive or on the back foot, we want to be writing the story."

Angela Lopes, SVP, Digital Strategy & Investments, Sony Music Entertainment, reflects on an important aspect: "Our goal is to make sure that strong, sustainable models emerge around these new technologies that respect and

protect the value of an artist's IP and the value being delivered back to them."

She also stresses the primacy of the artist/fan interface: "You're seeing consumers who have grown up in gaming, grown up in social, and they want to be more active participants in the content they love and with the artists they love, we need to use new technologies to make that happen in the best way for our artists and their fans."

Maria Fernandez, Executive Vice President, COO, Latin Iberia, Sony Music Entertainment, believes fans want and expect to engage with artists more often and in more ways, and that they are looking for new ways to express their fandom.

She says: "With things like NFTs and micro-payments in the metaverse, if you're a fan of the artist it allows you to help them in their development, it's a way of showing your support."

'FANS INCREASINGLY WANT TO GO DEEPER INTO THE STORIES AND PASSIONS THAT DRIVE AND INSPIRE OUR ARTISTS'

Record companies are also continuing to drive developments in more established media. Barak Moffitt, EVP, Content Strategy and Operations of Universal Music Group's Mercury Studios, talks about the increasing influence and variety of long-form narrative and premium content.

Moffitt says: "Mercury Studios is effectively a company for the premium entertainment world, so we've set it up very much like you would see a film and TV studio where we've got IP [intellectual property] origination and a complete staff dedicated to developing new and original IP. Whether that's in scripted, documentary, animation, fictional or factual podcasts, we invest in content that we need to be a part of."

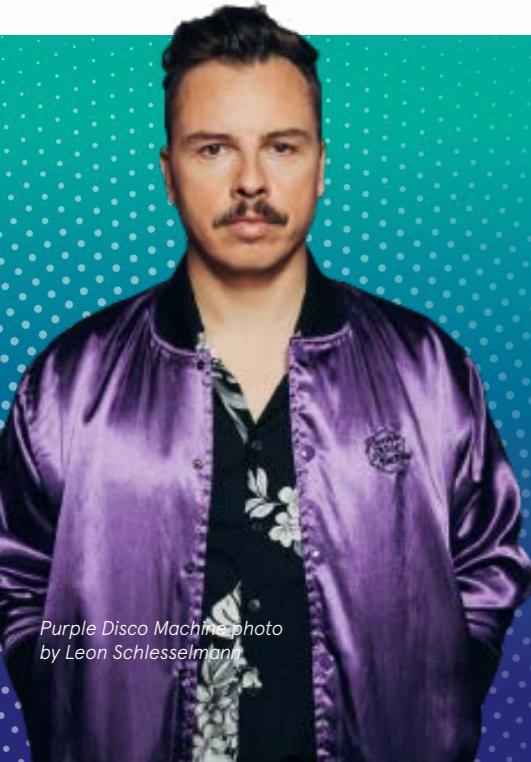
"Yes, everyone's talking about NFTs and the metaverse, but around the water cooler, everyone's also talking about TV series *Yellowjackets* and *1883*. Broadcast television and long-form video in general is extremely stubborn, it's sticking around, and we want to be able to control our destiny in that space – and offer our artists opportunities."

"Fans increasingly want to go deeper into the stories and passions that drive and inspire our artists, and we have several projects in development or production that help tell our artists' stories or reflect their characters."

As Alice Webb, CEO, Mercury Studios explains: "We want to offer a service to artists who have more creativity and more stories in them that they need to tell, beyond the straight writing and performing of music. And there is undoubtedly the opportunity for it to be commercially interesting for artists too because they are creators, they are primary partners in that. There's an opportunity for them to earn through it."

"But our work is also about feeding fans' passions for our artists, or for a genre or whatever it may be. Most importantly, it's not marketing. Instead, we're aiming to make content for our artists that has a value of its own."

"If somebody falls in love even more with an artist because they've seen this piece of content that the artist was either in or created, that's amazing. Ultimately, we are here for the inconvenient truth that human beings love stories and they love music. That's what we're here to do more of."



Purple Disco Machine photo by Leon Schlesselman

Another tech-related opportunity for incremental revenue is the health and well-being space. Dorothy Hui, SVP, Digital & Audience Development, 4th Floor Creative, Sony Music Entertainment, says: "Music has always been at the core of fitness, health and wellness, and what we've witnessed is this having evolved into a well-established opportunity for music to capture listening outside of traditional streaming platforms."

"For example, we collaborated with Peloton to run Artist Series workouts featuring Little Mix and Pete Tong, as well as the Ministry of Sound brand, which have also allowed us to expand the reach of Ministry's curatorial profile."

"Meanwhile, a bespoke collaboration with London Grammar and subscription-based meditation and sleep app Calm offered the band a creative way of drawing from their own experiences with music and sleeplessness to create and offer meditative remixes of tracks from 2021 studio release, *Californian Soil*."



Breagh Isabel photo by Caolína Andrade

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This is about reading the market, experimenting, trialling, collaborating – and then executing.

DENNIS KOOKER
PRESIDENT GLOBAL DIGITAL BUSINESS & US SALES, SONY MUSIC ENTERTAINMENT

Putting the speed of growth and size of opportunity around these emerging technologies into perspective, Tiago Correia, Senior Director of Global Business Development, Warner Music Group looks to 2019 as a key moment: "That was when we did the first music-based event with Roblox, with Ava Max.

"And then the event that catapulted music into this new era of gaming was Marshmello doing his virtual concert in Fortnite that same year, which I'm pretty sure was the most over-used slide in the music industry this year.

"One thing for certain is that now the vast majority of artists are curious and excited about these sorts of possibilities. Previously, around half of our artists

would probably have said, 'You know what, this isn't for me'. Now it's more about asking questions, exploring the creative possibilities, seeing how it can build an audience and how it benefits them generally. And we're excited to be on that journey with them."

Reflecting on the opportunities these developments provide, Correia returns to the idea of making connections with fans: "I think everyone in our company is playing their part to connect artists with their fans. It just so happens that my part is connecting artists to fans via specific platforms which are in gaming, or use-tools like 3D game engines or have mediums which are of an interactive nature."



Gretta Ray photo by Jo Duck

DRIVING MUSIC'S GLOBAL GROWTH LOCALLY

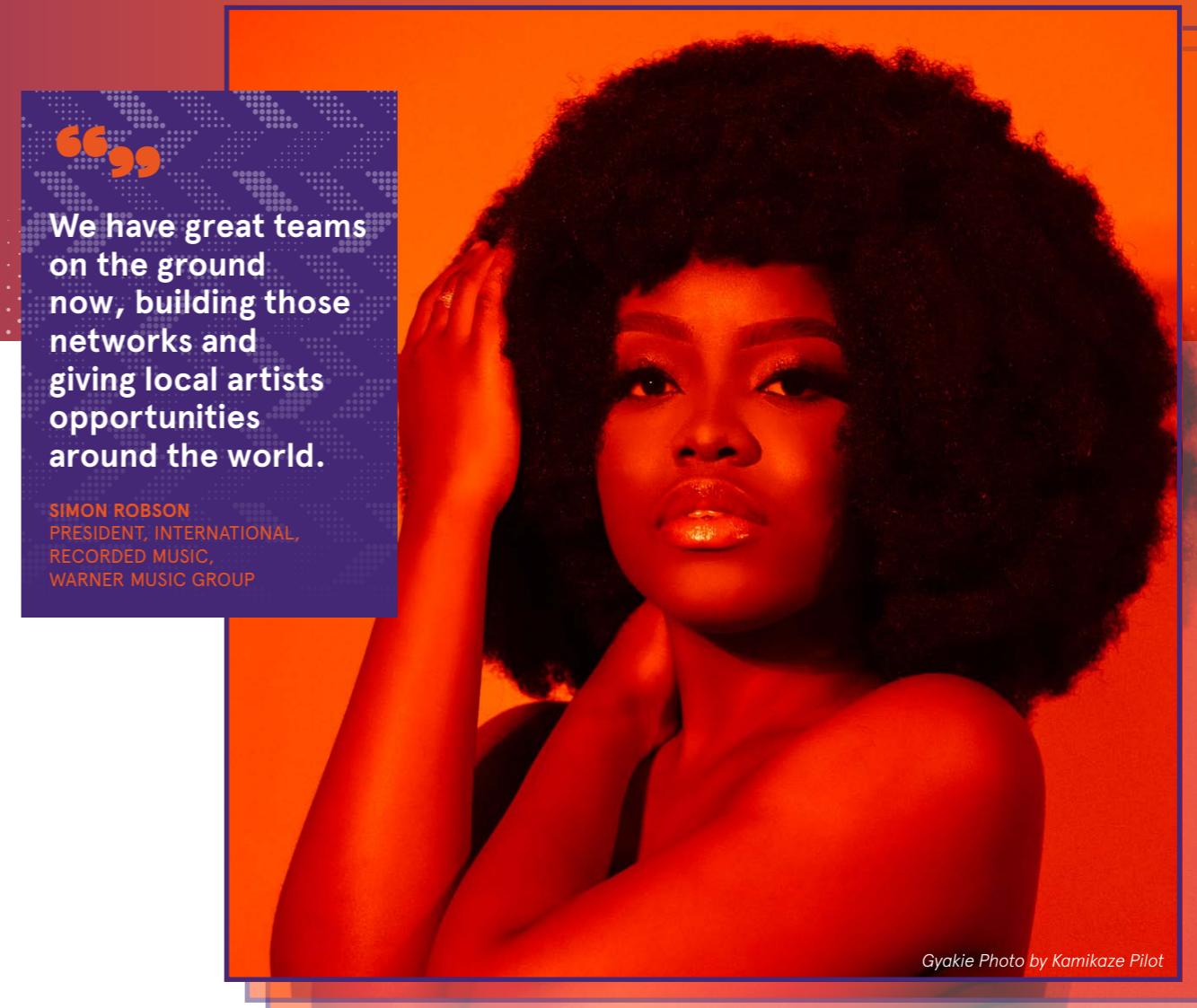
Global-local: that's the way record companies operate today. With local teams and expertise located around the globe, labels build from the grassroots upwards – investing in local artists and genres and supporting their development across their markets and beyond.



These in-market professionals are expert not only in recognising local talent but also in appreciating the music and traditions specific to an area, and helping to identify new audiences around the world for these artists and their art. While local repertoire dominates the local charts in most geographies – whether it's Latin music, K-pop, French hip-hop or so many other genres – artists are finding new audiences in places they never before imagined. Whether in high-potential growth markets across Asia and Latin America and Africa (which this report explores below) or more mature markets like Europe and North America, labels are putting down deep roots and helping to foster the continued advancement of vibrant and diverse local music ecosystems.

Simon Robson, President, International, Recorded Music, Warner Music Group highlights the Middle East and North Africa (MENA) as a region where record companies are setting down roots for the long-term: "It's a really exciting area of growth, not just locally; it is producing music that is starting to resonate around the world, and that will continue. It's about a slow build, but one that is very robust.

+35.0%
GROWTH IN MENA IN 2021



6699
We have great teams on the ground now, building those networks and giving local artists opportunities around the world.

SIMON ROBSON
PRESIDENT, INTERNATIONAL,
RECORDED MUSIC,
WARNER MUSIC GROUP

"Actually having offices in the different regions of North Africa and the Middle East is key. We have great teams on the ground now, building those networks and giving local artists opportunities around the world. One thing we're really challenging our teams to do is look for local opportunities – be it signing artists, distribution deals or possible partnerships or acquisitions; there is money available for the right opportunities."

On the ground, Moe Hamzeh, Managing Director, Warner Music Middle East, says: "Growth has come from increased DSP subscription numbers, but also from a

rise in social media consumption and the increased importance of music on platforms like TikTok, Snapchat, Instagram Reels and YouTube Shorts – these are now pillars in people's music discovery. That is especially true in countries such as Egypt and Saudi Arabia, with such young populations.

"Region-specific genres are growing, and that's partly because it's not a one-way conversation anymore, where radio and music television channels can influence people's listening taste. We're seeing a rise in Egyptian hip-hop, and Mahraganat, or Electro-Shaabi music, and this fused genre is starting to become dominant.

"Those sorts of phenomena are interesting because I see us as being like incubators, where things are being tested, and from that could come a sound, out of this region, that would cross over to the rest of the world.

"Last year's investment in Rotana, the biggest record label in the region, with the biggest catalogue, shows how serious we are about the Middle East and North Africa. The same goes for our A&R efforts, through which we've signed several up-and-coming artists. We're going to continue to be more committed to developing regional artists careers and invest in the region."

'CREATIVELY, SOMETHING REALLY INTERESTING IS HAPPENING HERE AND IT'S GETTING NOTICED GLOBALLY'

Shridhar Subramaniam, President Corporate Strategy & Market Development, Asia & Middle East, Sony Music Entertainment, adds: "The Middle East region is in a super-exciting place now. Social change is now fully underway, and with a young population, the conditions and timing are right for a new creative wave. Creatively, something really interesting is happening here and it's getting noticed globally."

"Last year we announced that Arab world superstar, Mohamed Hamaki, was to become the first Arabic artist to perform in Fortnite. This project illustrated the power of a true partnership, bringing together the best of music and gaming to help artists in the region expand to new markets and audiences."



Mohamed El Majzoub photo by KIFAH

Temi Adeniji, Managing Director of Warner Music South Africa and SVP, Strategy, Sub-Saharan Africa, says: "It's really important to think about the growth of the Sub-Saharan Africa region from a bifurcated perspective: one aspect is the growth in consumption of African music around the world, the other is growth on the ground.

"The industry has perhaps previously operated as export-orientated in regions like ours, driven by music consumption outside of the continent. The problem with only focusing on that is that the positive results can be ephemeral.

"So, it's really important to also think about growth on the ground, and about what is required to build a music ecosystem that is fit for purpose. That involves everything from backing governments in their efforts to enforce IP rights, to working with DSPs to build domestic subscription numbers. We need to address the market holistically.

+ 56.4%

SUB-SAHARAN AFRICA GROWTH IN AD-SUPPORTED STREAMING IN 2021



CKay photo courtesy of Warner Music South Africa

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The nature of our presence across Africa is always informed by us looking at the needs and cultures of the different countries and regions.

SIPHO DLAMINI
CEO, UNIVERSAL MUSIC SOUTH AFRICA AND SUB-SAHARAN AFRICA



NIKITA KERING' photo by Oscar Snow

sync divisions, brand divisions, a live division, etc. We need to be relevant to the local market.

"The nature of our presence across Africa is always informed by us looking at the needs and cultures of the different countries and regions."

Christine 'Seven' Mosha, Marketing and Artist Development Manager, Eastern Africa, Sony Music Entertainment agrees:

"Right from the start, our role was just

to provide information sources to the local artists because there are so many dynamics for them to think about. We wanted to show them clearly what the options are to work with us and give them the resources and knowledge to make their own choice.

"But even before we begin to do that, we always work to understand things from their point of view, to ensure we don't make assumptions about what would work for them."

Sipho Dlamini continues: "African music is in such an exciting place. We're seeing

a higher level of engagement around a wider variety of African genres than I have ever seen before. 15-20 years ago, the music coming from Africa was categorised as 'world music', which was a way of side-lining it to some extent.

"Now it's mainstream and it's visible. It's in the clubs, it's on the radio, it's headlining major festivals from Coachella in California to O2 Wireless in London."

Simon Robson agrees: "We saw it with CKay with *Love Nwantiti*, and it's not going to be just one-off singles, believe me, there's a proper movement happening and that's exciting." (See case study page 40).

Sipho Dlamini continues: "Domestically I think the market will grow through increased subscriber numbers, and that will happen as data costs come down. Some African countries have the highest data costs in the world right now. But if you look at the Latin region and how fast markets grew there when data cost was no longer a barrier, I think Africa will follow that path."

'EVERY STEP WE TAKE IS UNDERPINNED BY THINKING ABOUT HOW WE CAN IMPROVE THE ENVIRONMENT AS A WHOLE'

Sean Watson, Managing Director, Sony Music Entertainment Africa, is equally positive, and returns to the theme of prioritising domestic revenue and infrastructure: "Every step we take is underpinned by thinking about how we can improve the environment as a whole. Because a healthier environment makes it a better place for artists creatively and for us to do business. If it's a better place for us, it's a better place for everyone and we're all building a really solid music business together."

"We invest time and money providing insight and development for our label partners here. We've given them access to data and related analysis that improves the day-to-day operation of their businesses, which means better opportunities for artists.

"We've also worked with DSPs to build cross-market expansion plans for local artists, while at the same time we've kept Africa on the radar of our colleagues around the world."

'WE DON'T WANT ANY TALENTED ARTISTS, OR ANY ASPECT OF THE CULTURE LEFT OUT OF THE TREND TOWARDS GLOBAL SUCCESS'

From his global perspective Simon Robson expands on Adeniji's earlier point: "A big goal is to become more nuanced in key regions like Africa, the Middle East and India, so that eventually we stop talking about them as regions and focus on individual countries and distinct cultures – sometimes, of course, different cultures and languages within a country.

"That is key because the opportunity for these parts of the world are huge and we don't want any talented artists, or any aspect of the culture left out of the trend towards global success."

'THERE ARE NO BARRIERS TO MUSIC ANYMORE AND WE HAVE TO TAKE ADVANTAGE OF THAT.'

It is the "bifurcated perspective" that Adeniji mentions which is at the heart of record company strategies in many other territories around the globe. Maria Fernandez, Executive Vice President, COO, Latin Iberia, Sony Music Entertainment, says: "There are no barriers to music anymore and we have to take advantage of that. We believe that if music is good and it connects, then it can work in any market.

Afo Verde, Chairman & CEO Latin-Iberia Region, Sony Music Entertainment, agrees: "We think globally, but we still need to act locally. We need to understand every corner of the world to help every artist. Artists need to feel at home in their local label, but also know that they're always connected with the entire world."

Fernandez continues: "I know that the artists from our region dream of connecting with the world. The more we can do to get

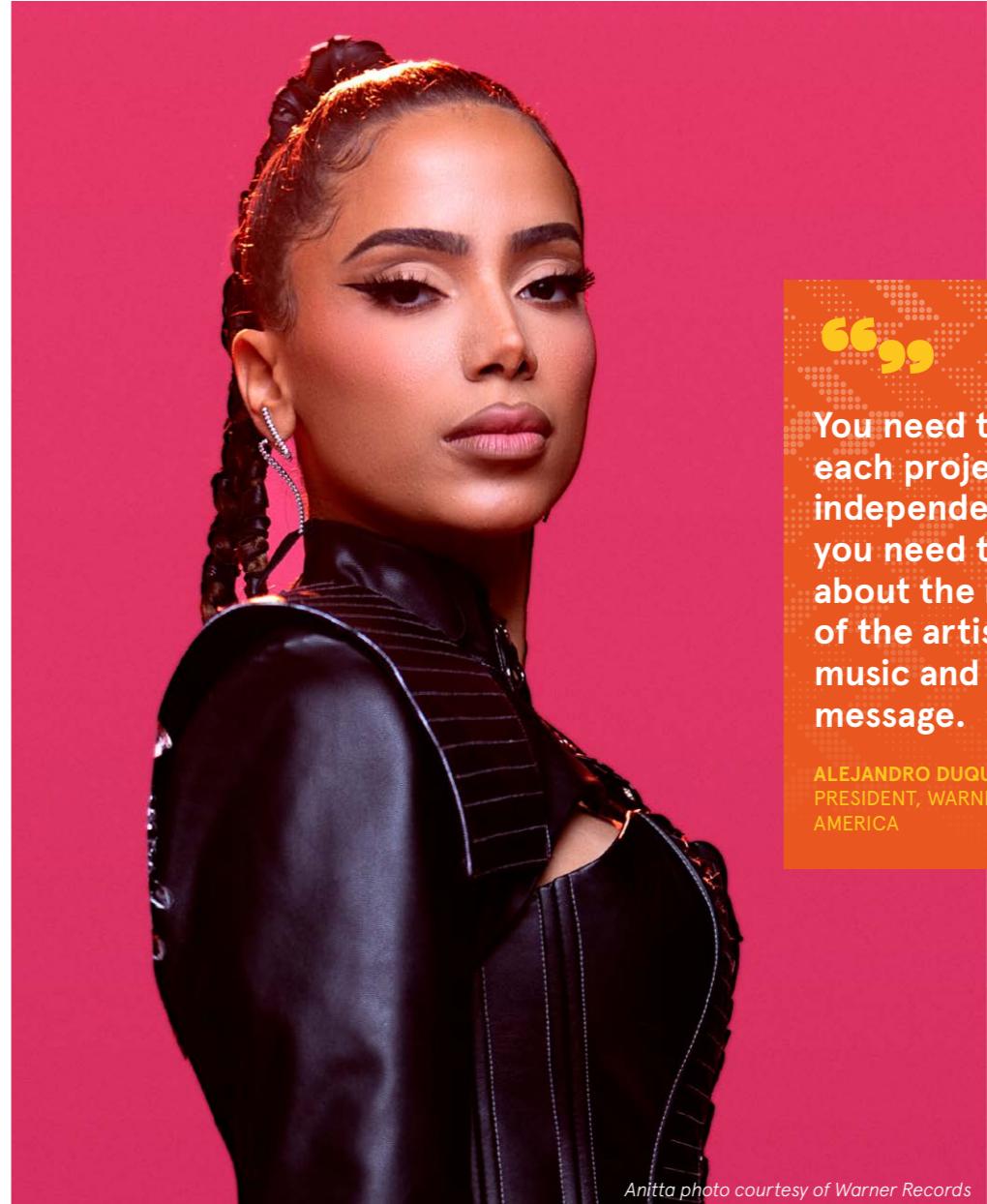
them there, the better. Maybe they only dreamed before, maybe they didn't think it was possible, but now it is."

Skander Goucha, EVP, E-Commerce, Business Development & Digital, Universal Music Latin America & Iberian Peninsula, is confident that the current trend of growth will continue in the region. He says: "Subscriptions continue to grow at a significant pace, and we are seeing an improved monetization of ad-funded streaming driven by advertisers shifting ad spending to digital media."

"Alongside the growth of streaming, there is a considerable acceleration in the popularity of short-form video platforms, which are becoming key for artists to share their stories and build deeper connections with their fans. J Balvin, Karol G and Sebastian Yatra have successfully embraced this format, driving global viral trends with their music, and reaching new audiences around the world."



J Balvin photo by Teograph



Anitta photo courtesy of Warner Records

'I EXPECT WE WILL SEE MORE GLOBAL HITS FROM BRAZIL.'

Goucha also emphasises continued investment in local artists and infrastructure. "In 2021, for example, Virgin Music Label & Artist Services Brazil entered into a partnership with WorkShow, Brazil's number one Sertanejo label, home to superstar artists Henrique & Juliano. I expect we will see more global hits from Brazil."

"We are also expanding our local e-commerce presence across the region to offer our artists unique and innovative ways to connect directly with their fans."

Alejandro Duque, President, Warner Music Latin America, also highlights the increasing commitment to cultural authenticity and a bespoke approach: "You need to treat each project very independently and you need to think

about the nuances of the artist, the music and their message, because audiences will see through anything that is not organic and is not authentic.

"The same goes for collaborations, they have to be based on artistic respect and compatibility rather than demographics. That's the only way to connect with the audience, and it's certainly the only way to make people fans of an artist rather than fans of just one particular track."

Fernandez goes on to highlight Argentina as another particularly hot market in the region right now. "It is definitely having a spectacular moment," she says. "The music being made there is new and it's unique. You have artists like Nicki Nicole, Duki and so many more coming out of Argentina that have the potential to be relevant at a global level."

Duque agrees: "There's an explosion of Argentinian acts right now. In our roster we have Tiago PZK, and we had three tracks in the Global Top 100 on Spotify."

"Then we have Maria Becerra, who comes to us from 300 Entertainment. Again, she's up there in the global charts and we're very excited about her. It really has been a while since Argentina exported this much talent across Latin America and around the world."

"Argentine artists are creating a sound that is unique to them, and they also have a great culture of collaboration, they are all helping and pushing each other and that is lifting the whole scene up."

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You need to treat each project very independently and you need to think about the nuances of the artist, the music and their message.

ALEJANDRO DUQUE
PRESIDENT, WARNER MUSIC LATIN AMERICA



Aastha Gill photo by Hormis Antony Tharakan

'I THINK NEW WAYS OF CONTENT CREATION AND CONTENT CONSUMPTION COME OUT OF ASIA, MORE SO THAN WESTERN MARKETS'

Returning to Shridhar Subramanian, whose role covers Asia, he picks out three "pillars" driving that region's continued growth. "The first is an increase in subscription numbers which is the primary driver of growth in mature markets, like China and Korea, similar to Western markets in that regard.

"The second is advertising revenue growth. This plays massively into Asia's favour because of the sheer scale of population and the details of our demographics. India, for instance, is YouTube's biggest market in the region, followed by Indonesia, Thailand and then Vietnam. Large percentages of these populations are wallet-poor but attention-rich. They'd rather pay for a service by watching some ads rather than via a financial subscription.

"The third is social media – be that TikTok, Instagram, YouTube Shorts or Facebook. India is the biggest market for Facebook worldwide. And these are all platforms that are now heavily into music."

He also commends the region for being a global leader not just in sheer revenue growth. "I think new ways of content creation and content consumption come out of Asia, more so than Western markets; TikTok is a great example of that. And Korea has an amazing level of fan development and fan engagement that no territory in the West has come close to replicating."

Adam Granite, EVP, Market Development, Universal Music Group echoes his excitement about the growth in China: "China's a great example of where we now have what we

refer to as a multi-label structure. You need to have multiple repertoire centres, multiple labels in a market at a certain scale or size. Simply put, you can't just have one creative team responsible for all the requirements that a developed and robust market needs."

"Much like you see in established markets like the US or the UK, you can have different labels with different identities, attracting different types of artists in a very diversified way. Last year, we announced the launch of several labels in China which is very exciting as we see it continue to develop as a market."

One of those labels is Universal Music Groups, Republic Records China. Tony Wen, Managing Director there, explains: "Our recent expansion into China provides both robust support and tremendous resources to build the local music ecosystems on the ground.

"Our main priority is now fully focused on both signing local artists and building a team of people that have the knowledge and understanding of the local culture. Our team also has access to the local network, which is essential to understanding the musical landscape we are working in."



Badshah & Sahdev photo by Kartik Kher

"WE WANT TO BUILD CAREERS FOR ARTISTS FOR THE LONG-TERM HERE."

Devraj Sanyal, Managing Director & CEO, Universal Music Group India & South Asia describes the growth he is experiencing in the Indian market: "India suddenly, in the last 18 to 24 months, has become a very key market. We are seeing very strong growth. Why? Because internet penetration is ridiculously high, and we've got the world's cheapest data. If you look at it from that perspective – a healthy market, massive growth, cheap data, huge penetration, there's no way to go but up."

As Sanyal explains, the music industry has been working strategically to build a music sector outside of the Bollywood system: "When we started signing non-film records a few years ago, it was a tiny market. It has now become a very large, serious playing field and as a result, the artist pool is increasing, the singer-songwriter pool is increasing."

+ 16.1%
GROWTH IN ASIA IN 2021

He goes on to describes his approach to the growing Indian market as "hyper-localisation", with a "multi-label, layered system" that caters to the incredibly diverse music ecosystem. He continues, "It's about different labels talking differently, with their own socials, channels and audiences. As record labels, we have to understand the people, we have to listen to what they want, what they're seeing, and what they're feeling, and then work across these multiple verticals.

"We must have a data and analytics team in order to understand the pulse of every Indian state, language and dialect. To be authentic to the native mindset is so important.

"Ultimately we want to shape culture through the power of artistry. How do you shape culture? You have to dive deep into the culture, understand what the culture is talking about. You have to listen. That's what we're doing in India"



AB6IX photo courtesy of Brandnew Music



Ramengvrl photo by Eija Pahlevi

Investing in Local Repertoire

In more mature European markets, there is a very strong focus on local culture alongside a hyper-awareness of global opportunities.

Marie-Anne Robert, Managing Director, Sony Music France, says: "Like many other markets, we're seeing the increasing power of 'local'. There's particular growth in French hip-hop, which is by far the number one genre in France right now. What's interesting is that we are seeing more and more diversity, so that the term hip-hop might not count as just one genre anymore."

"We have local media that really champions the genre and is helping to create homegrown stars."

"France has always been at the cross-section of cultures, so we have hip-hop artists influenced by African music, by American music, by British music and of course by their own French experience."

"We are also switching to a track culture and away from an album culture. The pandemic accelerated that, with artists making music whilst not on tour, and wanting to keep in more regular contact with their fans."

Minh-Loan Paturle, Director of International Development, Warner Music France, explains how they are supporting the burgeoning popularity of local repertoire in France: "We launched Rec. 118 five years ago, with only two people in the team, because we knew that the market was going to shift with the transition from physical to streaming.

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We have seen a complete revolution in the importance and success of our local artist roster.

ANDREA ROSI
CEO, SONY MUSIC ITALY



Bonez MC photo by Markus Mansi (Bobbys Agency)

"Now, in 2022, Rec. 118 has grown into a fully-fledged label with its own in-house marketing, promotion and A&R team. What was a tight unit within our network, now has a full frontline and has become a flagship label for us, landing six number one records in the French charts last year."

It is a similar story across the border in Italy. Andrea Rosi, Sony Music's CEO in the territory, says: "We have seen a complete revolution in the importance and success of our local artist roster, and our strategy has changed significantly as a result. We have significantly ramped up our A&R team looking at signing Italian artists, because the only way to have success in Italy right now is to sign domestic artists and dedicate proper time and resources to developing them."

"Amongst the Top 20 singles and albums in Italy at the moment, there is rarely an international artist. Our A&R focus is extremely local. And at the same time, we are all always thinking globally for our artists, because we know the international company can promote artists from anywhere towards international success."

"And then of course there is [Italian break-out rock band] Måneskin. That has been something close to a dream. It is the first time an Italian act has made this sort of global impact. I see the numbers come in and every day there is traction in another corner of the globe."

"With the help of all our international colleagues, including Columbia in the UK and Arista in the USA, we are at the beginning of what will be a very long career for Måneskin." [See case study on page 42]

Adam Granite, EVP, Market Development, Universal Music Group, sums up record companies' evolved attitudes towards global expansion and opportunity: "We are not a fast-food chain. They aim to launch the exact same store with the exact same menu in every country in the world, so that when you go into that chain it's going to look the same, taste the same, smell the same. That's the exact opposite of what we want to do."

"We have to have local saliency. We need to find the right local partners and really enmesh ourselves into the local music community, helping them build a prosperous ecosystem for artists."

Fostering Global Inclusivity

Record companies continue their work for diversity, inclusion and social justice throughout every territory in which they operate. In addition to driving growth in music ecosystems around the world, labels ensure that with every partnership, whether global or local, they work with the best individuals in the business and hold themselves to the highest standards.

As Tiffany R. Warren, Executive Vice President, Chief Diversity & Inclusion Officer, Sony Music Group explains: "The regional impact of diversity, equity, and inclusion (DE&I) is different depending on which country, state and sometimes even which city you are operating in. It's so nuanced and specific."

"We are prioritizing building communities and creating partnerships in every territory we operate in. It helps to fast-track progress around diversity, equity, inclusion and increase the ability to find really great talent in different places."

"The natural inclination of the chief people officer of the company is to speak from a single platform and message across the world, and to unify everyone to one central corporate standard. We

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Our role is to accept, appreciate and foster the individualism that comes from different parts of the world.

ERIC HUTCHERSON
CHIEF PEOPLE & INCLUSION OFFICER,
UNIVERSAL MUSIC GROUP

embrace the exact opposite. Our belief is that the local business leaders know more than any one of us could. We appreciate and trust cultural and social priorities without expecting a singular focus. This approach best represents who we are as a Company and as an industry."

Antoinette Boateng, Director, Equity, Diversity & Inclusion, Europe, Warner Music Group, expands on this: "The varied country-specific nuances need to be considered before developing and communicating any fit-for-purpose interventions. That means actively listening to, attracting, developing, and retaining talent from the broadest pools of opinion to help us shape the best culture for employees, artists and labels within the group worldwide."

At Sony Music Group, Towalame Austin, Executive Vice President, Philanthropy and Social Impact, says: "We are working to foster equal rights through advocacy, education and development programs via our Global Social Justice Fund. To date, our global footprint includes support of nearly 350 philanthropic organizations in more than 60 countries."

In the UK, Rich Castillo, A&R Director, Atlantic Records UK, Warner Music explains: "If we're talking about the future, it's so, so important that we, as a label, genuinely reflect what's going on with youth culture; we need people from that culture, especially within Black music. I think it keeps us young, it keeps us fresh and future-proof."

"It also allows us to culturally understand our artists and make sure we're informed in the best way possible."

Austin Daboh, Executive Vice President, Atlantic Records UK, Warner Music agrees:

"The only way to have meaningful partnerships with artists, is to have teams that come from the culture and reflect the culture. We need people who live and breathe it, and our artists need that as well, because that's when we can be super-honest and totally transparent."



Ghettis photo by Adama Jalloh



CKAY

Perez-Soto says: "For us, it isn't and has never been about one song. *Love Nwantiti* is a fantastic track and a huge hit, but it fits into a much bigger strategy. Even before it broke, I was saying, 'This guy can be our Ed Sheeran' – I mean, why not? CKay's a great artist, but he's also incredibly smart and really open, he really listens and collaborates; we're building a great partnership with him."

Adeniji adds: "We are truly thinking of him as a global artist, and a lot of times, previously, African artists haven't been given that opportunity because labels haven't been able to grasp the concept that this is music and culture that is capable of transcending borders.

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**We are truly thinking of
him as a global artist.**

TEMI ADENIJI
MANAGING DIRECTOR OF WARNER MUSIC SOUTH
AFRICA AND SVP, STRATEGY SUB-SAHARAN AFRICA

MÅNESKIN

In the run up to Eurovision, Bensoussan could feel a buzz growing around the band and engaged the label's global network. "We had a strong feeling that they would win. I started reaching out to the Sony Music teams in all the key markets in Europe just to make sure we had the right labels, the right people ready to support us."

“On Monday, we woke up and read the data and saw that something extraordinary was happening. We launched everything that day.”

It is this global activation through 'people power', says Bensoussan, that truly demonstrates the fuel a label can provide to an artist's career: "Yes, we bring the financial means, and a lot of human resource, but it's also the commitment of the teams of people striving hard together that really makes things happen."

Andrea Rosi, President & CEO, Sony Music Entertainment Italy, agrees, adding: "Every single territory was really supportive, coming up with a lot of different ideas."

Måneskin have since won Best Rock Act at the MTV European Awards 2021 and were nominated for Best Group and Best Italian Act at the MTV European Awards, Favourite Trending Song (*Beggin'*) at the American Music Awards 2021, and Best International Group and Best International Song at the BRIT Awards 2022.

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Every single territory was really supportive, coming up with a lot of different ideas.

ANDREA ROSI
PRESIDENT & CEO, SONY MUSIC
ENTERTAINMENT ITALY



MONOLINK

Löhneysen continues: "Even at that early stage, we believed in those songs and knew that he had potential to reach a worldwide audience. He didn't necessarily want to be a huge, mainstream EDM artist, but that was fine. We always want to let artists be who they want to be.

"The key for us when we sign an artist is knowing who will and who could like their music, and then making sure that we reach that audience."

Together, Monolink and his dedicated team at Embassy of Music worked to create his debut album *Amniotic*. Released in 2018, *Amniotic*, along with its included remixes, has clocked up over 250 million streams to date, with Monolink becoming a truly global artist in the process.

Once the album was out, the world started to react. Löhneysen adds: "People were coming to us from all over the world, asking us if they could remix his tracks."

Embassy's team reacted quickly to help fuel international growth for Monolink by co-ordinating a series of strategic remixes of *Amniotic*'s most popular tracks by artists from regions as varied as Ukraine, Brazil and Italy.

The remix of *Return To Oz* by Kiev-based DJ/Producer duo Artbat proved especially popular, with over 80 million streams.

With the first album's success in hand, Embassy and Monolink began to turn their attention to his follow-up record, finding time for him to write and record amongst a touring schedule that included bigger and bigger headline shows.

"Monolink probably has more in common with Radiohead than Calvin Harris, despite the fact that he is a purely electronic artist, which we think makes him really interesting. It also means that there are no geographical boundaries for his music and so as a label we make sure it is heard and promoted everywhere."

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Even at that early stage, we believed in those songs and knew that he had potential to reach a worldwide audience.”

KONRAD VON LÖHNEYSEN MANAGING DIRECOTR, EMBASSY OF MUSIC.

OLIVIA RODRIGO

After starring in Disney's hit show, *High School Musical: The Series*, she signed to Geffen Records in 2020.

Sam Riback, EVP and co-head of A&R at Interscope Geffen A&M, remembers: "All I Want came into the world via *High School Musical* and our A&R research team identified it as a song that was really moving.

"Then we found out Olivia was a 100% writer on the track, and that blew us away. We heard some more demos, some ideas she was working on, and we realized pretty quickly that she was something really special. Once we heard *drivers license*, we knew that leading with that would be a statement."

Gary Kelly, Chief Revenue Officer/Global Head of Streaming & Strategy, Interscope Geffen A&M, continues: "Everyone was really excited about that track from day one, especially in terms of partnerships with the DSPs. We went to them really early with it and were able to get the right playlisting globally – and then we watched it just blow up."

“From that point we were layering in the creator side of things, especially on TikTok. The song connected with fans immediately and they really ran with it. We were then able to co-opt all that into our campaign.”

Nicole Bilzerian, EVP, Geffen Records, highlights the importance of the labels creative approach to marketing Olivia's vision: "From the start, a lot of the marketing around Olivia, whether that's videos, pictures, digital campaigns, all stems from her ideas and from who she is. We just try to sculpt and amplify that all on her behalf."

Kelly explains that as *drivers license* topped charts around the world, there was some healthy debate within the company as to which track to drop next – and when, with the decision ultimately taken to wait and give the track room to breathe, whilst helping Rodrigo to focus on an album. "We wanted the track to have its own lane for as long as possible, to keep the focus on what was a special moment in pop culture and make sure we put all our energy into getting *drivers license* heard in as many places as possible."

Riback says: "There was plenty of strategizing, but zero pressure. Olivia led the discussion, she knew the momentum was there, but she was always most interested in turning that momentum into a larger body of work rather than rushing a follow-up. She

"When we got into the creative process with her, we'd introduced her to some collaborators and it was already clear that something special was building with [main writing partner/producer] Dan Nigro. They just really went for it, kept adding brilliant songs and creating what inevitably became *SOUR*.

“I think the end result is a classic body of work, with a lot of different dynamics to it – all of which come from Olivia. She has a really strong point of view musically, and that’s one of the things that attracted us to her. She has really interesting reference points, all of which goes into making *SOUR* a classic piece of left-of-centre pop.”

With touring impossible at the time of launch due to COVID, Geffen and Rodrigo's team had to come up with other ways to engage with fans. The centrepiece of the resulting campaign was SOUR PROM, a live event on YouTube watched by fans all around the world.

Bilzerian says: "SOUR PROM was Olivia's concept and she had a very specific vision of what each song should look like, with the prom theme as a through-line. She worked really closely with our creative team to develop and realise that vision.

Since SOUR's release in May 2021, it has received 16.9 billion streams to date, Olivia has been nominated for over 50 awards across the globe (including Album Of The Year at the GRAMMY Awards 2022), and things are showing no signs of slowing down.

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"It all stems from her ideas and from who she is. We just try to sculpt and amplify that all on her behalf."

NICOLE BILZERIAN EVP, GEFFEN RECORDS

ENABLING MUSIC TO THRIVE

This report has looked at how the industry is working hard and pushing further in its global quest to best serve its artists and provide fans with the music they love. IFPI's work underpins these initiatives.

A functioning copyright system is the enabler of effective licensing and the main tool to protect and foster creativity.

The importance of effective legal frameworks across markets has never been greater as music is being made available online globally in new and innovative ways. The ability for record companies to negotiate licences that fairly reflect the value of music, to continue to invest in artists, and to take action to protect their rights where necessary, is vital to ensuring the development of a sustainable music sector in the fast-moving digital environment.



Jace Chan photo by Isaac Lam

IFPI and its record company members work to create legal frameworks worldwide – from India to the European Union, South Africa to Mexico – that support the growth and development of the local music industries and the global digital music market. In addition to its regional offices in Asia, Europe and Latin America, IFPI has recently opened offices in Sub-Saharan Africa and in the Middle East and North Africa in order to work directly with local policymakers to help unlock the creative and commercial potential of their distinct music ecosystems.

While the nature of music markets may vary around the world, IFPI works to maintain the following principles across markets to enable music to thrive globally:

1

Support a competitive marketplace

The music market today is highly competitive, and artists have more choice than ever before in how they create, record, and share their music with fans worldwide. Those who choose to partner with a record label do so to benefit from a label's resources, experience and expertise, while also drawing on their creative input and marketing power. Through these partnerships, artists also develop new creative opportunities that can lead to further success.

Commercial growth and a fair competitive environment provides benefits for the broader music community. For instance, a recent market study by the UK Intellectual Property Office (*Music Creators' Earnings in the Digital Era*) found that between 2008 and 2019 artists and songwriters saw revenues grow at a higher rate than those of labels. Furthermore, according to the study, artists that decided to work in partnership with record labels had higher median income than those who released music independently.

Governments should continue to support a competitive marketplace where artists and their commercial partners are free to develop new partnerships, to the benefit of all parties and without unnecessary regulatory interference.

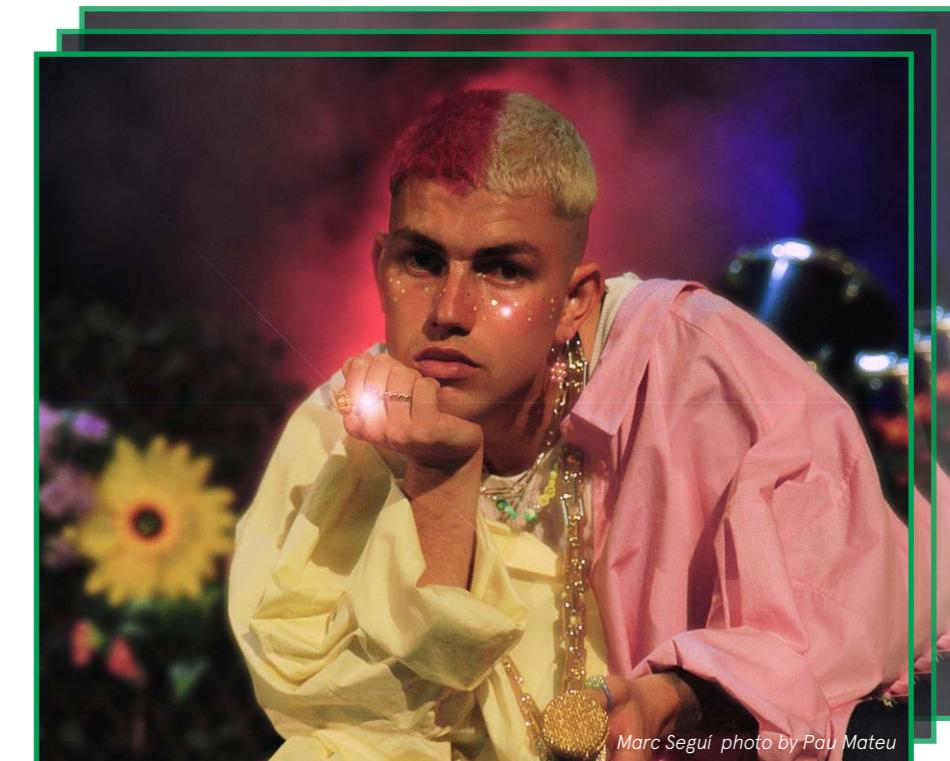
2

Recognise the value of music

Music has both cultural and economic value, and public policies should ensure that value is fully recognised by all players in the marketplace. Platforms should negotiate market-rate licences with music right holders. Policymakers around the world increasingly understand the need to ensure that online liability provisions – rules which govern how



Mayorkun photo by Roderick Ejetami



Marc Segui photo by Pau Mateu

4

Protect creators' content

To make copyright systems truly functional, governments worldwide should ensure that right holders have access to fair and effective enforcement measures and procedures. Governments should also take an active role in addressing the most egregious infringements, through criminal and administrative actions.

online platforms are responsible for the music they make available – must be clear and recognise the value of music in the online marketplace.

3

Ensure copyright frameworks are clear and provide for legal certainty

Commercial and legal certainty is needed to ensure everyone understands how music can be used legally and to enable them to do so. This means guaranteeing rightsholders an adequate level of protection through exclusive rights. Where they exist, exceptions to copyright should be limited, clearly defined, and narrowly targeted to deliver a legitimate public policy outcome. Open-ended or 'flexible' exceptions are open to abuse and do not provide the necessary certainty.

The key measures governments worldwide should make available include empowering competent authorities in appropriate cases to order online intermediaries to block access to infringing services, following the example of a growing number of countries from India to Latin America and the EU. Governments should also require that where online hosting providers benefit from liability privileges (also known as 'safe harbours') they adopt and adhere to 'notice and stay-down' measures to keep infringing music off their services. Furthermore, all intermediaries should take steps to ensure they have accurate identifying information on their business customers and make that information available to right holders and law enforcement agencies who need it for the legitimate purpose of protecting their intellectual property rights.

PHOTO CREDITS

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